

ILTANI RESOURCES LTD (ASX:ILT)

Equity Research Report – 29 April 2025

Capital Structure

Current price per share	A\$0.275
Ordinary shares on issue	52,144,741
Market capitalisation	A\$14.3m
Options outstanding	32,177,095
Total shares and options	84,321,836

Major Shareholders

Goatfell Super Fund (Donald Garner)	7.30%
Incito Equity Solutions*	4.72%
NWR Communications	4.02%
Matt Corp WA Pty Ltd	3.74%
Dixon Trust Pty Ltd	2.99%

*Canary Capital Pty Ltd is the parent entity

Key People

- Anthony Reilly - Non-Executive Chairman
- Donald Garner - Executive and Managing Director
- Karian Bader - Non-Executive Director
- Justin Mouchacca - Non-Executive Director and Company Secretary
- Erik Norum - Exploration Manager

Key Achievements To Date

- Defined exploration targets at Orient East and West, totalling 113-167 Moz Ag Eq. at a high 80 g/t Ag Eq. cut-off, positioning ILT as Australia's largest silver-indium project
- Reported exceptional drilling results, including 62m @ 110.3 g/t Ag Eq. at Orient East and 76m @ 118.5 g/t Ag Eq. at Orient West
- Commenced infill drilling in 2025 at Orient East and West, targeting a maiden JORC resource by year-end

Research Team

Nathan Oyet – Head of Research

Stuart Craigie – Associate Director

Introduction. Iltni Resources Limited (ASX:ILT) is an Australian mineral exploration company focused on unlocking the silver, indium, and base metal potential of its flagship Herberton Project in North Queensland. The company's current primary asset, the Orient Project, features extensive high-grade mineralisation across its East and West prospects, with exploration targets suggesting a multi-billion-dollar in-ground metal value.

ILT also holds the Northern Base Metal Project and Mount Read Volcanics Project, prospective for copper, lead, and zinc. Since listing on the ASX in June 2023, ILT has advanced the Orient Project through multiple drilling campaigns, delivering standout results that underscore its scale and quality.

Australia's Largest Silver-Indium Opportunity. The Orient Project stands out in Australia as a significant epithermal system. The Orient Project's current global exploration targets of 194-317 Moz Ag Eq. at a 30 g/t Ag Eq. cut-off and 113-167 Moz Ag Eq. at an 80 g/t Ag Eq. cut-off highlight its potential to be a globally significant silver-indium system. Recent infill drilling results, including 76m @ 118.5 g/t Ag Eq. and 37m @ 109.7 g/t Ag Eq. support ILT's goal of defining a maiden JORC resource by mid-2026. Infill drilling programs are underway at both Orient East and West. Additional plans include testing extensions at Orient North and deeper high-grade zones, with the potential to further enhance the scale of the project.

Significant Valuation Upside. With a market cap of \$14.3m against an in-ground metal value estimate of \$4.3 billion for the Orient Project using an 80 g/t Ag Eq. cut-off, ILT trades at a fraction of its potential value, before taking into account extraction and processing costs. This valuation gap highlights how undervalued ILT's market capitalisation is. With a strong cash position of \$2.05m (Mar Qtr, 2025) and no debt, ILT is positioned for substantial share price growth as it progresses toward JORC resource definition.

Experienced Leadership Driving Value. Led by Donald Garner, a geologist with over 25 years of experience, ILT's management is well-equipped to transform the Orient Project into a major mineral asset, leveraging decades of technical expertise.

COMPANY OVERVIEW

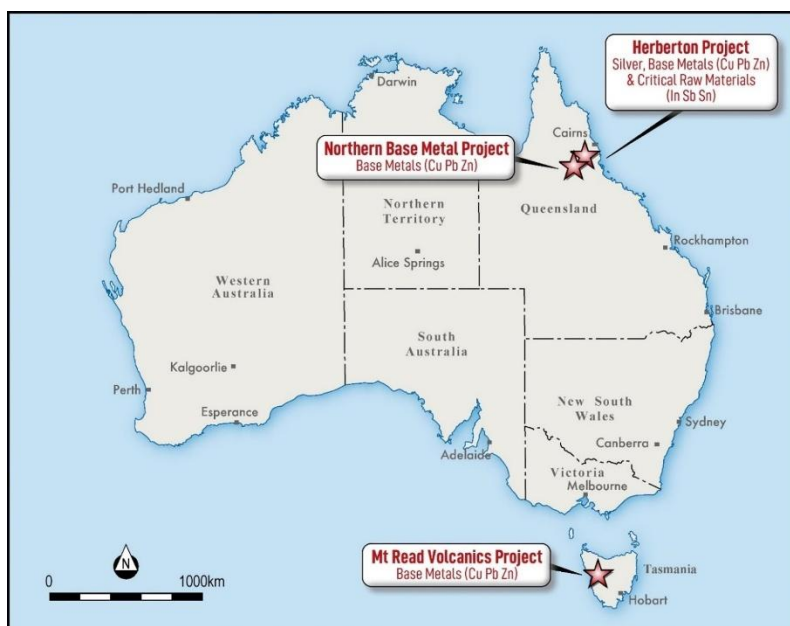
Iltani Resources Limited (ASX:ILT) is an Australian mineral exploration company focused on silver and indium exploration at its Herberton Project located in Northern Queensland. The company's flagship project, Orient (within the Herberton project), is highly prospective for silver, indium, lead, zinc, antimony, copper and tin. ILT has 2 other projects, which are the Northern Base Metal Project and the Mt Read Volcanics Project, which are both prospective for copper, lead and zinc. The company has made significant progress on the Orient project with multiple drilling campaigns, with results indicating strong mineralisation. ILT was incorporated on 9 April 2021 and acquired the Herberton project for \$360k from Red River Resources after it entered into administration. Following an oversubscribed A\$5m IPO, the company successfully listed on the ASX on 30 June 2023.

PROJECTS OVERVIEW

ILT has 3 main projects, the Herberton Project, the Northern Base Metal Project and the Mount Read Volcanics Project. The Herberton Project is ILT's flagship asset, with its primary focus on the Orient Project - an extensive, high-value, precious metal-rich epithermal system hosting multiple high-grade zinc-lead-silver-indium veins and stockworks.

Tenement	Location	Project	Status	Beneficial Interest
EPM 27168	Queensland	Herberton	Granted	100%
EPM 27221	Queensland	Herberton	Granted	100%
EPM 27223	Queensland	Herberton	Granted	100%
EPM 27731	Queensland	Herberton	Granted	100%
EPM 28899	Queensland	Herberton	Granted	100%
EPM 29057	Queensland	Herberton	Application	100%
EPM 27934	Queensland	Northern Base Metal	Granted	100%
EL33/2022	Tasmania	Mount Read Volcanics	Granted	100%
EL6/2024	Tasmania	Mount Read Volcanics	Granted	100%

ILT has projects across Australia focused on silver, indium, lead, zinc, antimony, copper, and tin



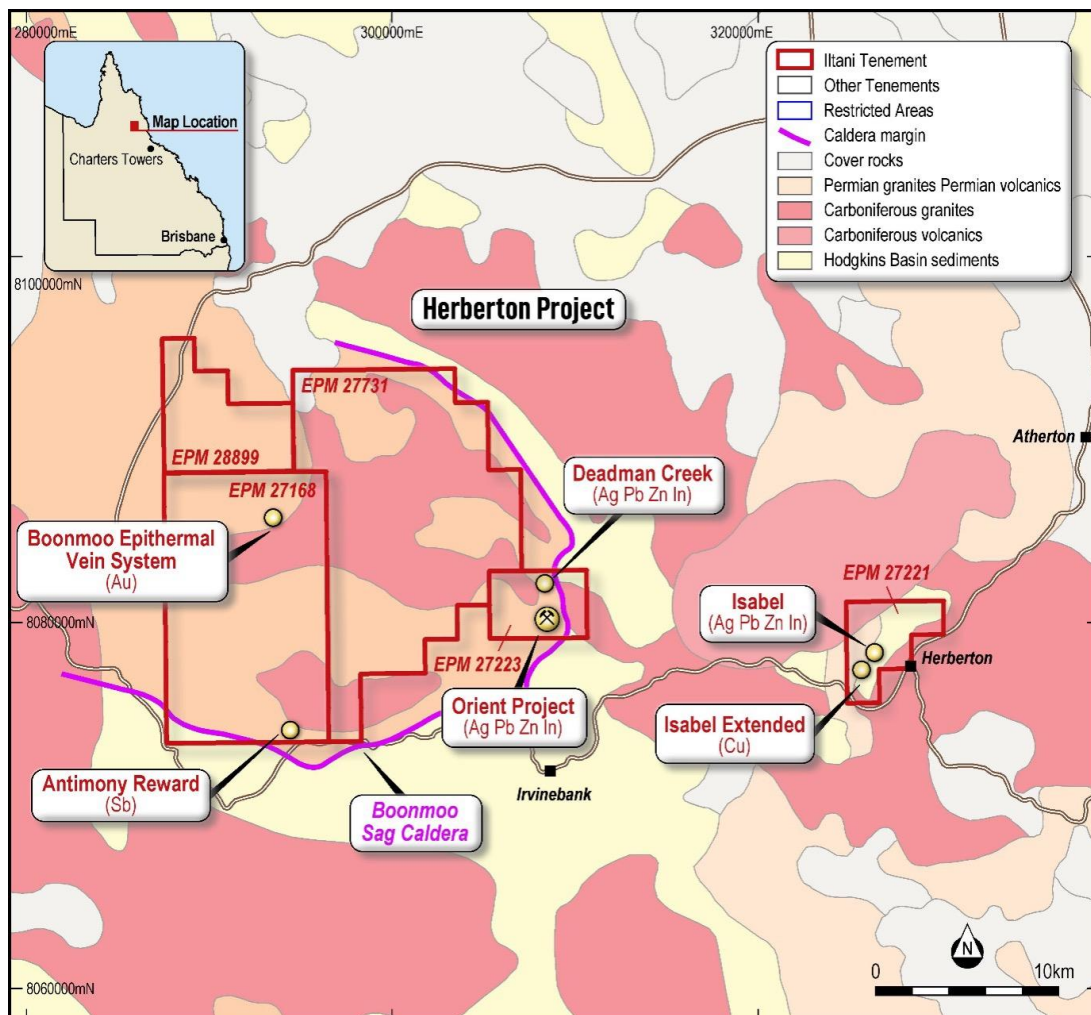
HERBERTON PROJECT

Project Overview

Iltni's Herberton project consists of multiple tenements in the Herberton Mineral Field covering approximately 300km². The Herberton Project is located approximately 100km West of Cairns in Far North Queensland. The project consists of 5 exploration permits and 1 application. The Project consists of EPM 27168 (Herberton), EPM 27221 (Isabel), EPM 27223 (Orient) and EPM 27731 (Wade Creek). The Herberton Project is prospective for silver, zinc, lead, indium, copper and antimony. The Herberton Project contains multiple key advanced exploration targets, detailed below:

Target	Mineralisation Style	Commodities
Orient	Epithermal	Silver, Lead, Zinc and Indium
Isabel	Massive sulphide	Silver, Lead, Zinc and Indium
Isabel Extended	Massive sulphide	Copper, Lead, Zinc and Silver
Antimony Reward	Epithermal	Antimony
Boonmoo	Low-sulphidation epithermal	Gold

ILT's Herberton Project includes the company's flagship asset, the Orient Project



ORIENT PROJECT

Project Overview

The Orient Project is the primary focus within the broader Herberton Project. It is situated on Iltani's wholly owned tenement, EPM27223, approximately 20km west of the historic mining town of Herberton and 9km north of Irvinebank in North Queensland. The Orient Project is made up of two key prospects called Orient East and Orient West.

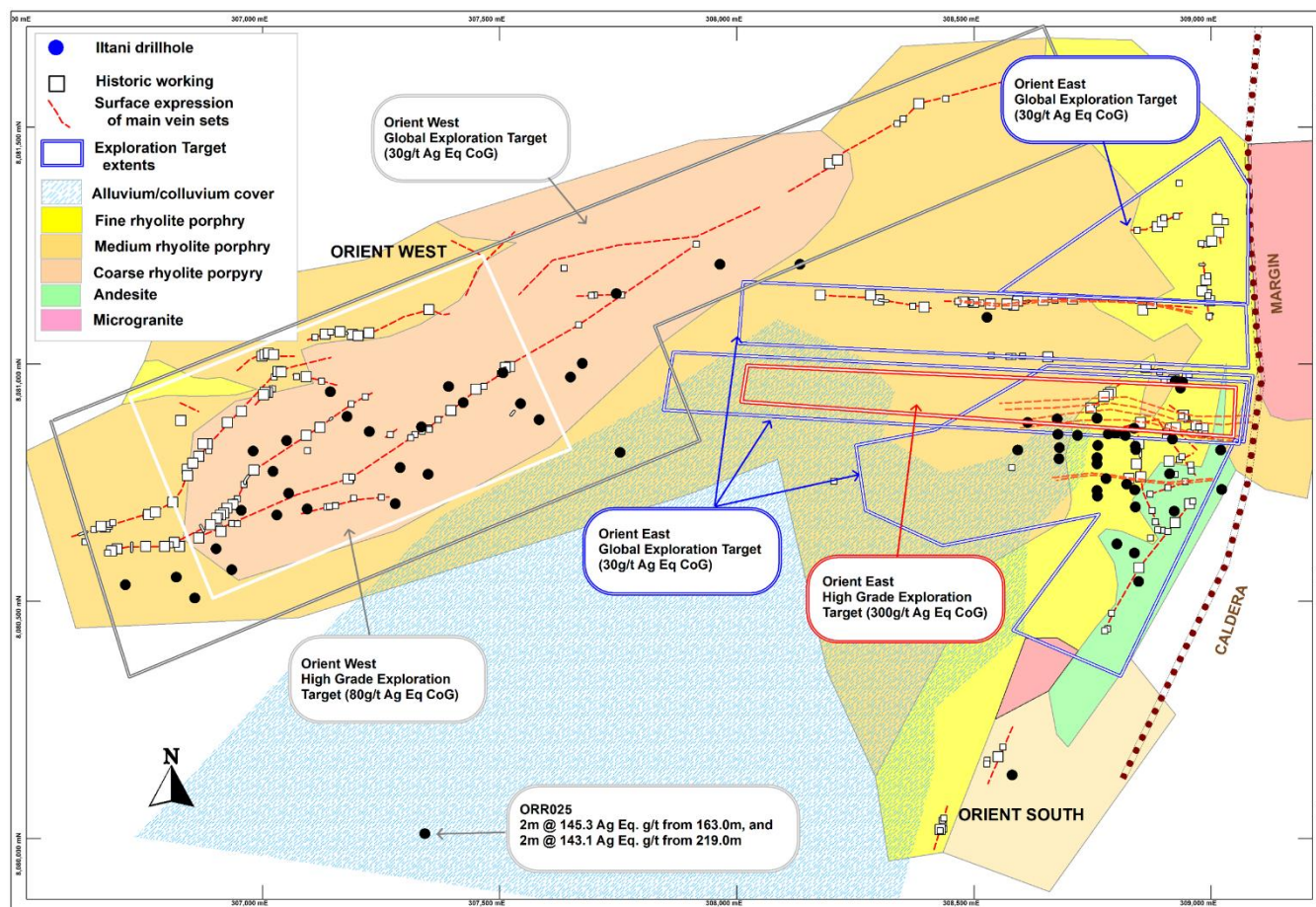
Mineralisation

Orient is an extensive, precious metal-rich epithermal system, believed to host a deeper intrusive (porphyry) body, exhibiting strong similarities to the large Ag-Zn-Pb-In-Sn systems of Bolivia. The project features multiple high-grade zinc-lead-silver-indium veins and stockworks, outcropping across at least 6km². Mineralisation is accompanied by zoned hydrothermal alteration, including phyllic, argillic, and propylitic assemblages.

Exploration History

Mineralisation at Orient was discovered in 1886 and was mined up until 1924, with historic mining activities occurring at both East and West Orient (approximately 2km apart). The last drilling at Orient was conducted in 1988 by Great Northern Mining Corporation (GNMC), which also defined a small non-JORC resource at West Orient. In 2021, Red River Resources carried out extensive mapping, sampling, and geophysical surveys, including drone magnetics and induced polarisation.

The Orient Project is highly prospective for silver, indium, lead, zinc, antimony, copper and tin



Exploration Target

On 18 July 2024, ILT announced an exploration target at Orient West. The exploration target was assessed to be:

- 74-100 Mt @ 55-65 g/t Ag Eq. at a 30 g/t Ag Eq. cut-off grade
 - Inclusive of high-grade core material: 20-24 Mt @ 110-120 g/t Ag Eq. at an 80 g/t Ag Eq cut-off grade

The release of the Orient West exploration target was followed by the announcement of an exploration target for Orient East on 24 February 2025. The exploration target was assessed to be:

- 25-35 Mt @ 77-95 g/t Ag Eq. at a 30 g/t Ag Eq. cut-off grade
 - Inclusive of high-grade core material: 12-18 Mt @ 110-130 g/t Ag Eq. at an 80 g/t Ag Eq cut-off grade
 - Including a high-grade component: 3.5-4.0 Mt @ 280-340 g/t Ag Eq. at a 200 g/t Ag Eq cut-off grade
 - 1.1-1.4 Mt @ 430-520 g/t Ag Eq. at a 300 g/t Ag Eq cut-off grade

Combining the Orient East and Orient West exploration targets results in an overall exploration target of:

- 99-135 Mt @ 61-73 g/t Ag Eq. at a 30 g/t Ag Eq. cut-off grade
 - Inclusive of high-grade core material: 32-42 Mt @ 110-124 g/t Ag Eq. at an 80 g/t Ag Eq. cut-off grade

Orient's exploration targets demonstrate the project's size and scale of high-grade mineralisation, reinforcing its potential to become the largest silver-indium project in Australia. These exploration targets also provide a strong foundation for the company to pursue a JORC-compliant resource for the Orient Project.

The tables below provide details on the Orient East and Orient West exploration targets at a 30 g/t Ag Eq. and 80 g/t Ag Eq. cut-off grade, respectively.

30 g/t Ag Eq.	Mt	Ag Eq g/t	Ag g/t	In g/t	Pb %	Zn %
Orient East						
Min	25	77	22	4.0	0.6	0.7
Max	35	95	27	5.0	0.7	0.8
Orient West						
Min	74	55	15	11.0	0.3	0.5
Max	100	65	20	13.0	0.5	0.6
Orient Global						
Min	99	61	17	9.0	0.4	0.6
Max	135	73	22	11.0	0.6	0.7

80 g/t Ag Eq.	Mt	Ag Eq g/t	Ag g/t	In g/t	Pb %	Zn %
Orient East						
Min	25	77	22	4.0	0.6	0.7
Max	35	95	27	5.0	0.7	0.8
Orient West						
Min	74	55	15	11.0	0.3	0.5
Max	100	65	20	13.0	0.5	0.6
Orient Global						
Min	99	61	17	9.0	0.4	0.6
Max	135	73	22	11.0	0.6	0.7

Currently, ILT only has a high-grade exploration target (200-300 g/t Ag Eq. cut-off grade) defined for Orient East. However, the company plans to assess the high-grade mineralisation potential for Orient West in 2025, aiming to materially increase the high-grade component of the Orient project.

The table below details Orient East's high-grade component at a 200 g/t Ag Eq. and 300 g/t Ag Eq. cut-off grade, respectively.

200 g/t Ag Eq.	Mt	Ag Eq g/t	Ag g/t	In g/t	Pb %	Zn %
Orient East						
Min	3.5	280	95	21	2.2	2.1
Max	4.0	340	110	25	2.6	2.5

300 g/t Ag Eq.	Mt	Ag Eq g/t	Ag g/t	In g/t	Pb %	Zn %
Orient East						
Min	1.1	430	150	30	3.2	3.1
Max	1.4	520	180	35	3.9	3.8

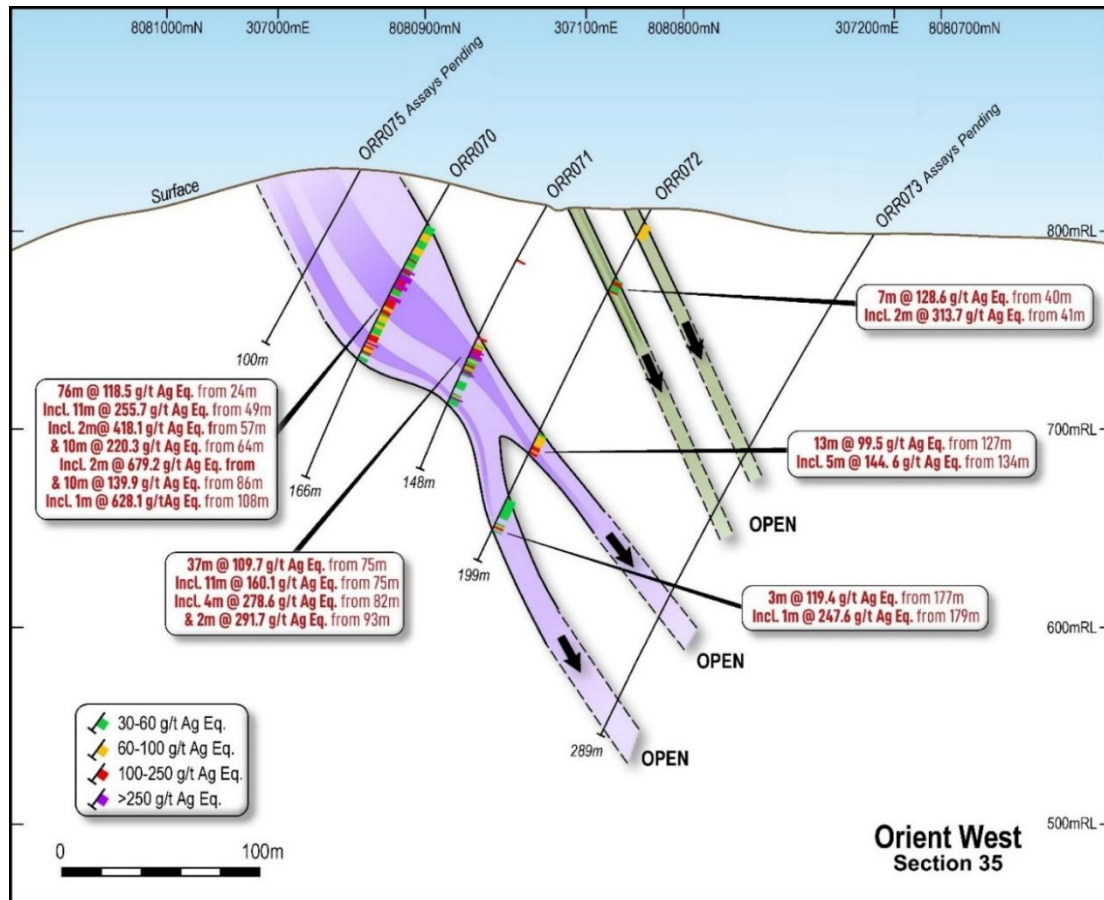
Orient West Infill Drilling Program

Program Overview. In March 2025, ILT commenced an infill drilling program at Orient West. The drilling program consisted of 28 reverse circulation (RC) holes (for 7,000 metres) and two diamond drill holes (for 455 metres). The objective is to convert the high-grade Exploration Target at Orient West into a maiden JORC Inferred Mineral Resource.

Initial Drilling Results Reinforce Significant Resource Potential. To date, Iltani has completed 5 drill holes (for 1,052 metres), with initial results announced on 24 April 2025. The key intercepts from the initial holes in the program highlight the high-grade silver-equivalent mineralisation at shallow depths, reinforcing the potential for an open-pit resource at Orient West. Notable results include:

- ORR069 intersected extensive mineralisation including:
 - 13m @ 115.2 g/t Ag Eq. from 35m inc. 2m @ 277.6 g/t Ag Eq. from 45m downhole
 - 5m @ 216.5 g/t Ag Eq. from 93m inc. 1m @ 590.5 g/t Ag Eq. from 96m downhole
- ORR069 also intersected a zone of exceptionally high-grade indium mineralisation:
 - 8m @ 36.8 g/t Ag, 219.1 g/t In, 0.4% Pb & 3.2% Zn from 184m inc. 3m @ 72.2 g/t Ag, 570.1 g/t In, 0.5% Pb & 7.8% Zn from 184m inc. 1m @ 125.8 g/t Ag, 1272.1 g/t In, 1.0% Pb & 17.3% Zn from 185m downhole.
- ORR070 intersected one of the thickest zones of mineralisation to date at Orient West, delivering 76m @ 118.5 g/t Ag Eq. from 24m downhole including:
 - 11m @ 255.7 g/t Ag Eq. from 49m inc. 2m @ 418.1 g/t Ag Eq. from 57m downhole
 - 10m @ 220.3 g/t Ag Eq. from 64m inc. 2m @ 679.2 g/t Ag Eq. from 64m downhole
 - 10m @ 139.9 g/t Ag Eq. from 86m inc. 6m @ 162.5 g/t Ag Eq. from 87m downhole
- ORR071 intersected a thick zone of mineralisation delivering 37m @ 109.7 g/t Ag Eq. from 75m downhole:
 - 11m @ 160.1 g/t Ag Eq. from 75m inc. 4m @ 278.6 g/t Ag Eq. from 82m downhole
 - 5m @ 173.8 g/t Ag Eq. from 90m inc. 2m @ 219.7 g/t Ag Eq. from 93m downhole
- ORR072 delivered multiple intercepts of high-grade mineralisation including:
 - 7m @ 128.6 g/t Ag Eq. from 40m inc. 2m @ 313.7 g/t Ag Eq. from 41m inc. 1m @ 505.1 g/t Ag Eq. from 41m downhole
 - 13m @ 99.5 g/t Ag Eq. from 127m inc. 5m @ 144.6 g/t Ag Eq. from 134m downhole
 - 3m @ 119.4 g/t Ag Eq. from 177m inc. 1m @ 247.6 g/t Ag Eq. from 179m downhole

Iltani's JORC Infill drilling program at Orient West have returned broad, high-grade results



Source: Iltani Resources

Commencement of Diamond Drilling. On 17 April 2025, ILT mobilised a diamond drill rig to Orient and commenced diamond drilling at Orient West. To date, the diamond drill rig has completed approximately 210 metres of the first diamond drill hole. Results from the diamond drilling will be used to better understand the geology of the Orient project, including the specific gravity (density of ore used to calculate tonnes) for the JORC resource estimate.

Orient East Infill Drilling Program

Program Overview. Besides Orient West, an infill drilling campaign is planned at Orient East, targeting the conversion of the current Exploration Target into an initial JORC Inferred Mineral Resource. This program consists of 26 RC holes (for 5,200 metres) and two diamond drill holes (for 450 metres). The Orient East drilling program will commence following the completion of the program at Orient West and will take around seven weeks to complete.

Previous Drilling Results. The Orient East infill drilling program follows on from the 25-hole (for 4,056 metres) drilling program conducted in 2024. The results from this program were used to estimate the initial Orient East Exploration target. All 25 drill holes (ORR036 - ORR060) intersected extensive high-grade silver-lead-zinc-indium mineralisation, further confirming Orient East's strong silver-equivalent potential.

Notably, drill hole ORR055 delivered the highest grades recorded at Orient to date, returning:

- 1m @ 2,066.3 g/t Ag Eq. from 77m (676.0 g/t Ag, 251.0 g/t In, 16.75% Pb, 13.50% Zn)
- Within a broader interval of 4m @ 921.8 g/t Ag Eq. from 77m (305.1 g/t Ag, 102.7 g/t In, 7.72% Pb, 5.86% Zn)

Other notable results include:

- ORR042: 19m @ 378.8 g/t Ag Eq. from 64m downhole
 - inc. 5m @ 427.2 g/t Ag Eq. from 67m downhole; and
- ORR042: 6m @ 746.7 g/t Ag Eq. from 75m downhole
 - inc. 2m @ 1376.5 g/t Ag Eq. from 76m
 - inc. 1m @ 1707.2 g/t Ag Eq. from 77m downhole.
- ORR060: 62m @ 110.3 g/t Ag Eq. from 48m
 - inc. 3m @ 364.4 g/t Ag Eq. from 55m,
 - inc. 3m @ 364.6 g/t Ag Eq. from 80m; and
 - inc. 3m @ 396.2 g/t Ag Eq. from 106m downhole.

Further Exploration Initiatives

Upon completion of the infill drilling programs at Orient East and West, ILT will submit the data to Mining One, an independent mining consultancy, to develop the initial JORC-compliant resource models for both Orient West and Orient East. The company expects the entire process, including drilling, resource estimation, and reporting, to take 6 to 9 months.

ILT is also pursuing further exploration to unlock additional value at Orient. Key initiatives include:

- Testing Extensions: Drilling of the high-priority Orient North target and potential strike extensions to expand the known mineralised system.
- Depth Potential: Deeper drilling to assess the prospectivity for high-grade underground mineralisation.
- Geophysical Surveying: An airborne electromagnetic survey is planned to identify new shallow undercover drill targets, potentially expanding the project's exploration footprint. The cost of \$230,375 will be funded by the QLD government.

A recent site visit by Paul Hart, Executive Director at Canary Capital, highlighted the significance and scale of the mineralised system at the Orient Project, which should provide upside to delineate further JORC resources



ANTIMONY REWARD

Project Overview

The Antimony Reward project is located on Iltani's wholly owned exploration permit EPM 27168, and is approximately 45km from Herberton, and 17km from the Orient Silver-Indium project, in Northern Queensland. Antimony Reward is a high-grade antimony vein system with significant exploration potential.

Recent Drilling Results

On 5 October 2024, ILT commenced a drilling program at Antimony Reward. The drilling program was a follow-up to the high-grade antimony sampling results released on 16 September 2024 that delivered up to 46.5% antimony mineralisation.

The 10-day drilling program consisted of 10 reverse circulation drill holes (for 1,500 metres) targeting high-grade mineralisation. The assay results from the drilling program, which were announced on 6 November 2024, confirmed the presence of high-grade antimony mineralisation. Material intercept included the following:

- ARRC001 - 7m @ 7.61% Sb from 38m inc. 3m @ 8.19% Sb from 38m and 1m @ 26.70% Sb from 43m downhole
- ARRC003 - 3m @ 0.75% Sb from 31m inc. 1m @ 1.25% Sb from 32m and 4m @ 0.43% Sb inc. 1m @ 1.28% Sb from 42m downhole
- ARRC004 - 9m @ 0.94% Sb from 53m inc. 2m @ 2.66% Sb from 60m downhole

ISABEL AND ISABEL EXTENDED

Isabel Project Overview

The Isabel deposit, located within EPM 27221, is a high-grade polymetallic massive sulphide system comprising zinc-lead-copper mineralisation enriched with indium and silver. The mineralisation occurs within fine-grained and brecciated quartzites, flanking both sides of a northwest-southeast trending quartz-feldspar dyke.

Extensive exploration work has been conducted at Isabel, including detailed geological mapping, geochemical soil sampling, underground sampling, geophysical surveys, and both percussion and diamond drilling. Between 1970 and 1972, GNMC and Mareeba Mining and Exploration Pty. Ltd. (Mareeba Mining) completed a 57-hole percussion and diamond drilling program. However, historical drilling has not fully delineated the known mineralisation, leaving significant potential to expand the resource base.

Isabel Extended Project Overview

The Isabel Extended target lies approximately 150 meters from the Isabel deposit, where historic drilling in the early 1980s intersected high-grade polymetallic and copper-rich massive sulphide mineralisation. A total of six NQ-diameter diamond drill holes were completed to test geophysical and geochemical anomalies, including MIED 1, 2, and 3 in 1980, followed by MIED 4, 5, and 7 in 1981, amounting to a total of 1,740.4 meters drilled. Significant polymetallic massive sulphide mineralisation was encountered in multiple holes, including:

- MIED 1: 1.45m @ 3.1% Cu from 177.2m downhole and 7.25m @ 3.3% Cu from 182.13m downhole
- MIED 3: 2.55m @ 2.0% Cu, 1.0% Pb, and 13.2% Zn from 91.08m downhole

NORTHERN BASE METAL PROJECT

Project Overview

The Northern Base Metal Project is located in Northern Queensland, covering an area of 225 km² under EPM 27934. Situated approximately 120km southwest of Mt Garnet, the project includes two high-priority copper and zinc targets: Frewhurst and Mount Mist.

Frewhurst Target

The Frewhurst target is known for its copper mineralisation, featuring quartz-sulphide veins with up to 15% sulphide (pyrite, arsenopyrite, and chalcopyrite) hosted in altered granite (clay-sericite ± chlorite ± epidote). The mineralisation outcrops over an area of approximately 250m x 250m and was subject to minor historical mining activities prior to World War II. In 1995, CRA Exploration (CRAE) completed 10 RC drill holes (611m total), with the best result from RC95FR9 returning 12m (27-39m) at 1.95% Cu and 47 g/t Ag, including a high-grade intercept of 3m (31-34m) at 5.8% Cu and 136 g/t Ag. The mineralisation encountered in RC95FR9 remains open. CRAE also drilled 500m south of Frewhurst, intersecting low-grade vein mineralisation and associated alteration in the granite. No further exploration has been conducted at Frewhurst since CRAE dropped the project in 1995.

Mount Mist Target

Mount Mist hosts a high-grade polymetallic massive sulphide deposit. To date, two lenses of high-grade polymetallic base metal mineralisation have been drilled. Lens 1 includes four drill intercepts, with 9m at 1.2% Cu, 8.0% Pb, 12.6% Zn, and 101 g/t Ag from 33m. Lens 2 includes four drill intercepts, with 22m at 0.5% Cu, 3.1% Pb, 5.1% Zn, and 52 g/t Ag from 93m. Mineralisation is open at depth, and significant potential exists for discovering additional mineralisation. The most recent drilling at Mount Mist occurred in 2012, and no further exploration has taken place since 2014.

Exploration Plans

ILT completed reconnaissance exploration at the Northern Base Metal Project in late 2024. Following this exploration study, the company is currently working out the next steps on how to cost-effectively advance the project.

MOUNT READ VOLCANICS PROJECT

Project Overview

The Mount Read Volcanics Project is located in the West Coast region of Tasmania, approximately 10 km north of Rosebery. In late 2022, Iltani lodged an application (EL33/2022) targeting an area of approximately 99km² within the Middle to Late Cambrian Mount Read Volcanic Belt in Western Tasmania. This belt stretches roughly 200km in length and 20km in width, predominantly consisting of a submarine succession of rhyolitic to basaltic volcanic and hypabyssal intrusive rocks, with varying proportions of intercalated sedimentary layers.

The Mount Read Volcanic Belt is renowned for hosting five major massive sulphide deposits - Rosebery, Mt Lyell, Hellyer, Que River, and Hercules - as well as several smaller deposits, representing a diverse range of deposit styles. EL33/2022 is strategically positioned along the Mount Read Volcanic Belt, approximately 10km north (along strike) of MMG's Rosebery underground mine and 10 km southwest of the Que River and Hellyer deposits.

Exploration Plans

Due to the focus on the Orient Project, ILT has not carried out any drilling or exploration activities at the Mount Read Volcanics Project during the past 12 months. Due to the continued focus on Orient, the company does not expect to conduct any exploration activities at the Mount Read Volcanics Project in the near to medium term.

FINANCIAL OVERVIEW

Financial Position

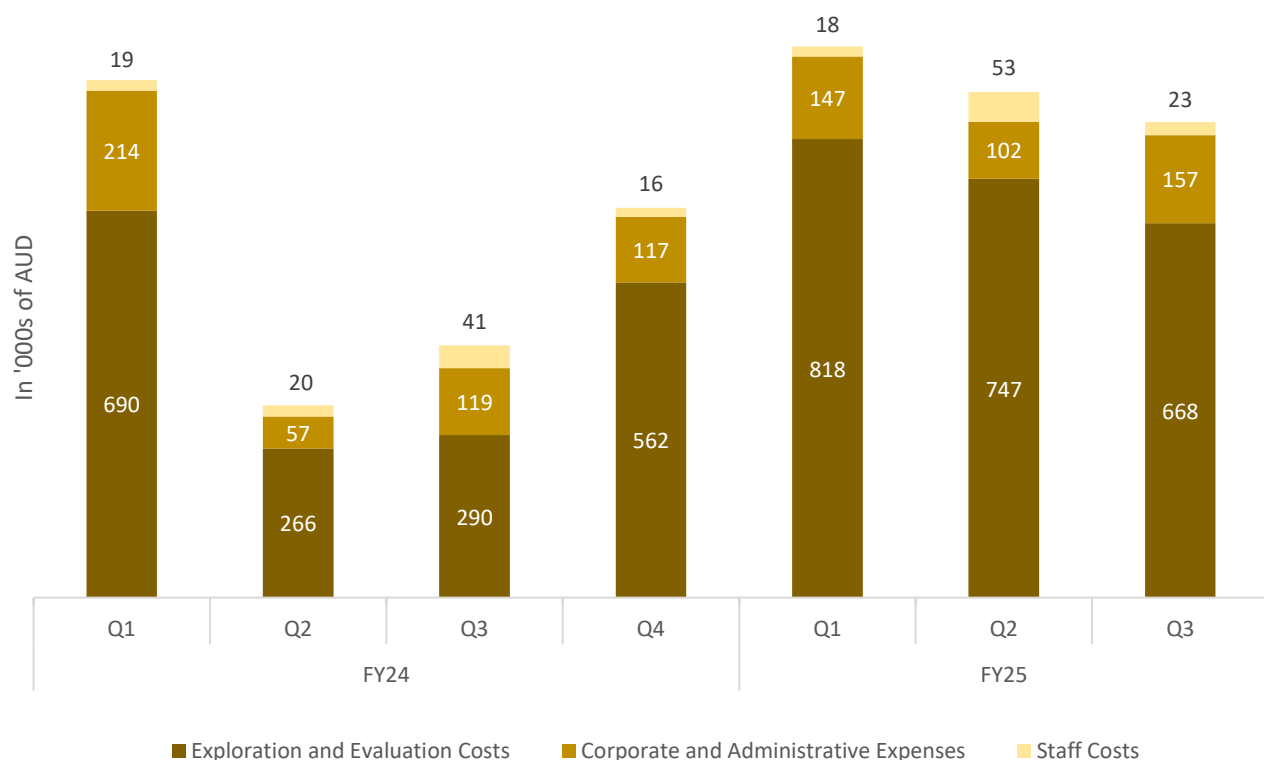
In Q3 FY25, ILT reported a strong cash balance of \$2.05m, and the company has no debt. The company last raised capital in Q1 FY25, completing a \$2.1m placement (net of costs) on 19 September 2024. With a quarterly cash burn that has averaged \$750k over the past 4 quarters, primarily allocated to exploration expenditure, ILT is well-funded to progress its current exploration activities. This includes the completion of the Orient East and West infill drilling programs, JORC resource estimation, and drilling at Orient North, positioning the company for continued project advancement.

Financial Performance

ILT's quarterly expenditure continues to be driven primarily by exploration and evaluation activities, with a strong focus on drilling and advancing the Orient East and West prospects toward a maiden JORC resource estimate. In Q3 FY25, the company allocated \$668k to exploration and evaluation, maintaining a strong investment focus on resource exploration and development activities. Since going public, ILT has spent an average of \$700k per quarter on exploration, with the lowest expenditure recorded in Q2 FY24 at \$266k, which is during the wet season.

Beyond exploration, corporate and administrative expenses represent the second-largest expense, totalling \$157k in the latest quarter, with a four-quarter average of \$131k, demonstrating stable costs. Staff costs have also remained steady, averaging \$27k per quarter over the same period. ILT's disciplined approach to expenditure has enabled the company to sustainably execute on its exploration strategy without significant dilution to shareholders.

ILT has maintained its focus on investing in exploration activities to advance its projects, primarily Orient



Source: Iltani Resources

Capital Structure

ILT has 52.1 million ordinary shares and 32.2 million unlisted options and rights outstanding, or 84.3 million shares, on a diluted basis. The top 20 shareholders own 43.14% of the shares outstanding, indicating that the company is tightly held. The largest shareholder is Donald Garner, the Managing Director of the company, who owns 6.2% of the shares outstanding. The table below provides details on the company's capital structure:

Ordinary shares outstanding	52.14 million
Unlisted options and rights	32.2 million
Diluted shares outstanding	84.3 million
Market Capitalisation	\$14.34m
Cash	\$2.05m
Debt	-
Enterprise Value	\$16.39m

ORIENT IN-GROUND METAL VALUE

Overview

The in-ground metal value of the Orient Project's geological mineralisation was estimated using the latest exploration target estimates for Orient East and Orient West. The estimates apply approximate market prices to the estimated quantities in ounces of each contained mineral, based on the defined cut-off grades. While preliminary, this approach provides an indicative value of the project's potential, pending further drilling and JORC resource classification.

Assumptions

The market prices used in the in-ground value estimates were conservatively approximated based on data from reputable industry benchmarks, including the Perth Mint for silver, the Shanghai Metals Market for indium, and the London Metals Exchange for lead and zinc. The prices were estimated in USD and then converted into AUD at an exchange rate of AUD/USD 0.64. Market pricing was standardised, with silver and indium valued per ounce, while lead and zinc were priced per metric tonne.

Metal	Unit	USD	AUD
Silver	Ounce	\$30.00	\$46.88
Indium	Ounce	\$10.00	\$15.63
Lead	Metric Tonne	\$1,800.00	\$3,515.63
Zinc	Metric Tonne	\$2,250.00	\$2,812.50

In-Ground Metal Value Estimates

In-ground value estimates were calculated for both Orient East and Orient West at the available Ag Eq. cut-off grades of 30 g/t Ag Eq. and 80 g/t Ag Eq. The estimates for each prospect were then aggregated to derive the Orient Project's total in-ground metal value (Orient Global estimates).

In-Ground Value at 30 g/t Ag Eq. Cut-off Grade. At a 30 g/t Ag Eq. cut-off grade, the in-ground value of Orient East is estimated at \$2.5 billion (mid-point), while Orient West is valued at \$6.0 billion. This results in a combined in-ground value estimate of \$8.5 billion for the Orient Global project.

<i>In millions of AUD</i>	Silver (Ag)	Indium (In)	Lead (Pb)	Zinc (Zn)	Total
Orient East					
Min	829	50	422	615	1,916
Max	1,424	88	689	984	3,186
Orient West					
Min	1,673	409	624	1,301	4,007
Max	3,014	653	1,406	2,109	7,183
Orient Global					
Min	2,536	448	1,114	2,088	6,186
Max	4,476	746	2,278	3,322	10,822

In-Ground Value at 80 g/t Ag Eq. Cut-off Grade. Applying an 80 g/t Ag Eq. cut-off grade, the in-ground value estimate for Orient East is approximately \$1.8 billion, while Orient West is estimated at \$2.5 billion. This brings the total in-ground metal value estimate of the Orient Global project to \$4.4 billion.

<i>In millions of AUD</i>	Silver (Ag)	Indium (In)	Lead (Pb)	Zinc (Zn)	Total
Orient East					
Min	579	42	270	380	1,271
Max	1,058	81	506	696	2,342
Orient West					
Min	844	201	394	633	2,071
Max	1,266	289	540	928	3,023
Orient Global					
Min	1,447	241	630	1,013	3,330
Max	2,342	380	1,063	1,624	5,409

In-Ground Value Not Reflective of ILT's Intrinsic Value

The in-ground value estimates provided are gross figures and do not account for the costs associated with metal extraction and processing or recoveries. Additionally, the economic cut-off grade - the threshold at which mining remains financially viable - could be higher than the cut-off grades used in these estimates, potentially reducing the extractable resource. Therefore, the in-ground value estimates do not directly translate into an intrinsic valuation of Itlani shares. As the project progresses, Canary will be able to use discounted cash flow modelling to value ILT.

Comparable Company Analysis

Overview. To contextualise ILT's valuation, we compare it to Silver Mines Limited (ASX:SVL), an Australian silver-focused exploration company with its flagship Bowdens Silver Project in New South Wales. Bowdens hosts a JORC-compliant Mineral Resource of 334 Moz Ag Eq. at a 30 g/t Ag Eq. cut-off grade.

Relative Valuation. With a market capitalisation of A\$185.9m, SVL is valued at approximately A\$0.56 per Ag Eq. ounce. In contrast, ILT, based on Orient's global exploration targets of 99-135 Mt @ 61-73 g/t Ag Eq. at a 30 g/t cut-off (equating to 194-317 Moz Ag Eq.), has a market valuation of A\$0.04-\$0.07 per Ag Eq. ounce. At a higher 80 g/t cut-off, yielding 32-42 Mt @ 110-124 g/t Ag Eq. (113-167 Moz Ag Eq.), ILT's valuation ranges from A\$0.09-\$0.13 per Ag Eq. ounce.

This results in a significant valuation disparity, with SVL trading at approximately 10.2x ILT's per-ounce valuation at the 30 g/t cut-off and 5.0x at the 80 g/t cut-off. While SVL benefits from a more advanced stage, evidenced by its JORC resource, completed feasibility work, and pathway to development, the magnitude of the valuation gap suggests ILT is substantially undervalued relative to its peer. **SVL's current market capitalisation is 13x that of Itlani Resources Limited.**

Company	Market Cap (\$m)	Resource Held (Ag Eq. Moz)	Resource Nature	Cut-off Grade (g/t Ag Eq.)	Relative Valuation (\$ per Ag Eq. oz)	Relative Valuation Disparity
SVL	185.9	334	JORC	30	0.56	-
ILT	14.3	194 - 317	ET*	30	0.04 - 0.07	~10.2x
		113 - 167	ET*	80	0.09 - 0.13	~5.0x

*ET – Exploration Target

Progression Towards Key Milestones to Drive Valuation Re-Rating. As ILT closes the resource development gap with milestones like resource definition, we expect the market to increasingly recognise its intrinsic value, narrowing the valuation differential with peers like SVL and unlocking significant upside for investors.

KEY PEOPLE

Donald Garner (Executive and Managing Director)

Donald is a seasoned geologist with over 25 years of experience in the resources sector. From 2014 to 2021, he served as an Executive Director at Red River Resources (RVR), where he led the company's strategy and business development. Under his leadership, RVR grew into a \$150 million ASX-listed company with a diverse portfolio of operating assets, including Thalanga and Hillgrove, as well as multiple exploration projects. Before joining RVR, Donald held senior executive positions in the resources industry and worked in corporate finance at Deutsche Bank in London, specialising in Metals & Mining. His experience also includes roles as an exploration and mining geologist in Western Australia, Russia, and Myanmar.

Anthony Reilly (Non-Executive Chairman)

Anthony is an experienced mining and finance executive with over 30 years of leadership in resource development and corporate finance. As Executive Director of Venturex Resources (VXR) from 2017 to 2021, he guided the company through critical growth phases before its transition to Develop Global (DVP). His extensive board experience includes executive and non-executive positions at Hawkley Oil and Gas, Paradigm Metals, and CMG Gold. Complementing his resource sector expertise, Anthony brings 20 years of distinguished banking experience, having served as Head of Institutional FX Sales in London and later as Global Head of Institutional FX Sales for Hedge Fund clients at Westpac, where he developed deep relationships with international financial institutions.

Karina Bader (Non-Executive Director)

Karina is an experienced mining and finance executive with over 25 years of experience in the sector. She graduated from Monash University in 1995 and began working as a geologist in the mining industry. She worked in technical and operational roles in exploration and resource definition for various gold mining companies, including Great Central Mines and Plutonic Resources. More recently, Karina has spent 13 years working in capital markets as a resources and energy analyst for a boutique fund manager specialising in emerging companies covering gold, base metals, specialty metals, bulks, uranium and petroleum commodities. She has also held director roles at not-for-profit organisations for five years.

Justin Mouchacca (Non-Executive Director and Company Secretary)

Justin holds a Bachelor of Business with a major in accounting and formerly served as the principal of a chartered accounting firm. His firm provided outsourced company secretarial and accounting services to both public and private companies, with particular expertise in the resources, technology, bioscience, and biotechnology sectors. With 15 years in the accounting profession, Justin has developed extensive experience in public company administration, including ASX and ASIC compliance, corporate governance implementation, statutory financial reporting, company reorganisation, and shareholder relations management.

Erik Norum (Exploration Manager)

Erik is a distinguished geologist with over three decades of experience in the resources sector, including more than 20 years in senior management positions across multiple exploration and resource development companies throughout Australia and internationally. His comprehensive expertise spans the entire mining lifecycle - from initial project assessment and target generation to grassroots exploration, resource development, and mine geology. Erik has demonstrated versatility across numerous mineralisation styles and commodities, including gold, silver, base metals, and tin, with significant projects in Queensland, Western Australia, Victoria, NSW, Papua New Guinea, and West Africa.

INVESTMENT THESIS

Clear Business Strategy

ILT has established a clear and focused business strategy centred on advancing its flagship Orient Project within the Herberton Project in North Queensland. The company is methodically progressing the Orient East and Orient West prospects toward a maiden JORC-compliant Inferred Mineral Resource through systematic infill drilling programs, with results expected within the next 9 months. This staged approach leverages the project's extensive high-grade silver-indium mineralisation to unlock value whilst minimising shareholder dilution.

Following the delineation of a JORC resource, ILT plans to explore high-priority extensions, such as Orient North, and test deeper high-grade potential, further enhancing the project's scale. There is also significant potential to identify the source of the mineralisation at Orient, which is indicative of a porphyry system at depth.

Additionally, ILT is capitalising on the high-grade antimony mineralisation at its Antimony Reward deposit, with recent drilling confirming its potential as a near-term value driver. By prioritising resource definition at Orient, ILT is positioning itself as a leading silver-indium explorer in Australia, with a clear pathway to maximise the value of its Orient Project.

Significant Investment Upside

ILT presents a compelling investment opportunity due to the substantial valuation gap between its current market capitalisation of \$14.3m and the in-ground metal value estimates of its Orient Project. At a conservative 80 g/t Ag Eq. cut-off grade, the Orient Project's combined East and West prospects are estimated to have an in-ground metal value of A\$4.3 billion, ~300 times ILT's current market cap. Although ILT's actual fair value may represent only a modest fraction of the Orient Project's estimated value, the opportunity for significant upside continues to be considerable.

The Orient Project's exploration targets - 99-135 Mt @ 61-73 g/t Ag Eq., including a high-grade core of 32-42 Mt @ 110-124 g/t Ag Eq. - position it as Australia's largest silver-indium project, with additional upside from indium, a critical mineral in high demand for technology applications. Recent drilling results, such as 1m @ 2,066.3 g/t Ag Eq. at Orient East and 7m @ 313.7 g/t Ag Eq. at Orient West, underscore the project's high-grade potential. With A\$2.05m in cash and no debt, ILT is well-funded to complete its current drilling programs and deliver a JORC resource, which is expected to catalyse significant share price appreciation as the market recognises the project's scale and value.

According to the World Silver Survey 2025, global industrial demand for silver surged by 4% in 2024, reaching an all-time high of 680.5 million ounces for the fourth consecutive year, propelled by strong growth in electronics, solar energy, and battery technology applications. Concurrently, ANZ Research highlights a tightening silver market, with supply constraints exacerbated by shrinking scrap sources of silver, resulting in a projected supply-demand deficit of up to 190 million ounces, equivalent to 19% of global supply.

Furthermore, the gold-silver price ratio, currently at 100:1, remains elevated compared to its approximate 40-year historical average of 65:1, signalling potential for silver price appreciation as the ratio normalises. These favourable market dynamics enhance the economic outlook for the Orient Project and provide a strong tailwind for share price appreciation in ILT.

Successful Management

ILT's management team combines deep technical expertise and proven industry success, positioning the company to unlock the full potential of its mineral assets. Executive and Managing Director Donald Garner brings over 25 years of geological and corporate experience, including his tenure at Red River Resources, where he grew the company into a \$150m ASX-listed entity with operating assets. His strategic vision and ability to identify undervalued opportunities were instrumental in acquiring the Herberton Project for \$360k from Red River Resources in liquidation—a fraction of its potential value.

Non-Executive Chairman Anthony Reilly complements this with over 30 years of mining and finance leadership, including guiding Venturex Resources through critical growth phases. Exploration Manager Erik Norum, with more than three decades of experience across diverse commodities and regions, ensures technical excellence in ILT's exploration efforts. Together, this team has demonstrated a track record of resource development and value creation, providing confidence in ILT's ability to execute its strategy and deliver substantial returns to shareholders.

INVESTMENT RISKS

Underperformance of Drilling Programs

There is a risk that ILT's ongoing infill drilling programs at Orient East and Orient West may fail to deliver the expected high-grade mineralisation necessary to convert the current exploration targets into a JORC-compliant Inferred Mineral Resource. Factors such as unanticipated geological complexity, higher-than-expected sulphide content, or variability in mineralisation could reduce the size or grade of the resource, impacting the project's economic viability and delaying the anticipated timeline for resource definition.

However, ILT has mitigated this risk through extensive prior drilling, with all 25 holes at Orient East and initial results at Orient West intersecting significant silver-lead-zinc-indium mineralisation. Notable intercepts, such as 1m @ 2,066.3 g/t Ag Eq. at Orient East and 7m @ 313.7 g/t Ag Eq. at Orient West, provide confidence in the continuity and quality of the mineralisation, reducing the likelihood of substantial underperformance.

Insufficient Cash to Sustain Exploration

ILT's ability to advance its exploration strategy relies on maintaining sufficient funding, with a current cash balance of \$2.05m as of Q3 FY25 and a trailing 12-month quarterly cash burn of \$750k, primarily driven by exploration activities. If drilling programs take longer than anticipated (e.g., due to weather delays, as seen with the wet season pause at Orient West from December 2024 to March 2025) or if additional capital raises are required to complete the JORC resource estimation and test extensions like Orient North, ILT may face liquidity constraints. This could limit the company's capacity to fully realise the Orient Project's potential.

However, ILT's recent \$2.1m placement in Q1 FY25 demonstrates strong investor support, and its disciplined expenditure - averaging \$700k per quarter on exploration with stable corporate costs of \$131k - suggests a runway of over 3 quarters, providing a buffer against immediate funding pressures.

Commodity Price Risk

The value of Iltani's projects is closely tied to commodity prices, particularly silver, indium, lead and zinc. Commodity prices can fluctuate significantly due to global economic conditions, supply and demand factors, and other market influences. A decline in commodity prices could negatively impact the economic viability of Iltani's projects and the company's financial performance. This risk is partially offset by ILT's focus on indium, a critical mineral with growing demand in technology applications. Additionally, silver prices have surged to record highs above \$50 per ounce in 2025, fueled by strong industrial demand and a rise in safe-haven investments, offering a significant cushion against short-term market downturns.

Iltani Resources Limited is a Canary Capital-mandated company. Canary Capital Pty Ltd, its directors and associates own shares and options in Iltani Resources Limited.

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