

## A triple play in the making

Asra Minerals Limited (ASX:SRR) is an exploration company, chasing gold, rare earths and critical minerals (RRE) in Western Australia's Eastern Goldfields. The company's major asset is the Mt Stirling Project (100%) with a material JORC resource of 118.4koz (Au) and an emerging RRE opportunity (Yttria). Recent drilling results have underpinned the discovery of rare earths across a potential 3.6km strike length (with upside). On-going works could deliver material increases in MREs across the gold prospects to progress through to a commercial decision point and an initial declaration at Yttria. The macro-outlook for gold prices remains strong, particularly in a global inflationary environment, whilst the accelerating transition towards renewables in a lower-carbon world is demand positive for rare earths and critical minerals. The company's capacity to work or accelerate its assets is dependent on continued access to working capital, likely through recourse to equity markets.

### Business model

Asra Minerals is an exploration company located in the Eastern Goldfields of WA near Leonora. The major project at Mt Stirling is primarily in an early-stage exploration phase but does include a JORC resource of 2.3Mt containing 118.4koz Au with a grade of 1.6g/t. Recent drilling results also support an emerging RRE play. As an exploration company, the ability to work through the projects and opportunities in a timely fashion will be constrained by access to working capital as required, at this stage through recourse to equity markets. Subsequent to the end of the June quarter, the company completed a A\$2.7mn placement, primarily to further rare earths assaying and metallurgical test work; and resource definition and exploration drilling across the company's gold prospects.

### Mt Stirling...building gold resources and chasing RRE

The Mt Stirling Project comprises gold and rare earths opportunities. The gold project covers 10 gold prospects and includes a JORC-defined minerals resource (MRE). Activity over the last quarter was primarily drilling, adjacent to the current deposits at MS Vicerion and Stirling Well, seeking to build out the booked resources. The company was able to record significant new gold intercepts across the target areas, particularly at the Estera prospect and is in the process of updating the MRE including a maiden MRE for Estera. Recently the company has also declared a rare-earths discovery, identifying cobalt and scandium mineralisation over the Wishbone prospect to complement the previously declared discovery at the Yttria prospect. Mineralogical studies completed during the current quarter suggest the rare-earths' assemblage is '...conducive to low-cost processing'. Metallurgical studies are in train. The company is permitted to drill up to 50,000m to further define the extent of the RRE mineralisation, particularly evaluating the extensions between the Yttria and Wishbone prospects. Asra is aiming to declare a maiden JORC resource at Yttria in Q4'22 subject to completion of further drilling.

### The industry outlook remains positive

An uncertain global economic outlook overhangs all operating sectors but in uncertain times gold is generally the place to be with Asra poised to make material progress on its gold opportunity over the next 12 months. In contrast to the global slowdown, the shift towards a lower-carbon world, EVs and renewables is likely to accelerate and in that respect the demand for rare earths and critical metals is forecast to rise. Rising demand for rare earths will require significantly greater supply...the commercial opportunities are there and price fundamentals remain strong on a supply constrained outlook. Exploration remains a high-risk business where results can disappoint as equally as surprise to the upside, and by definition is a capital-hungry undertaking. Without a revenue stream financing is dominantly through recourse to equity markets currently in a risk-averse phase. However, on rising prices and increasing demand, we suggest capital is available for those projects progressing towards the pre-development phase.

## Materials

9<sup>th</sup> September 2022

### Share Details

|                         |          |
|-------------------------|----------|
| ASX code                | ASR      |
| Share price (8-Sept)    | \$0.025  |
| Market capitalisation   | \$36.6M  |
| Shares on issue         | 1,464.3M |
| Options and rights      | 58.6M    |
| Net cash at 30-Jun-2022 | \$1.2M   |
| Free float              | ~60.1%   |

### Share Performance (12 months)



### Upside Case

- Resource upgrades at Mt Stirling (gold) are higher than expected
- RRE opportunity is materially greater than expected
- Sustained strong global demand delivers upside commodity price assumptions

### Downside Case

- Slower progress on field campaigns and below-expectation results, particularly at Yttria
- Resource upgrades at Mt Stirling (gold) are lower than expected
- Global economic slowdown negatively impacting commodity prices and sentiment

### Catalysts

- Updated JORC estimates on the Mt Stirling gold play
- An initial JORC declaration across Yttria

### Comparable Companies (Aust/NZ)

Platina Resources (ASX:PGM), Krakatoa Resources (ASX:KTA)

### Board and Management

|                   |                    |
|-------------------|--------------------|
| Paul Summers      | Exec. Chair        |
| Peretz Schapiro   | Exec. Director     |
| Matthew Longworth | Non-Exec. Director |

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# FINANCIAL SERVICES GUIDE

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**of**

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**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 6<sup>th</sup> May 2021**

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- our services
- how we transact with you
- how we are paid, and
- complaint processes

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