

# Akora Resources Ltd

## Developing high-grade iron ore for the green steel future

Akora Resources Ltd (ASX:AKO) is an exploration company engaged in the development of three iron ore projects, Bekisopa, Tratramarina and Ambodilafa, in Madagascar. The company has initially focused on Bekisopa, which has a maiden resource of 194.7Mt with the potential for significant high-grade lump direct ship ore (DSO). The Indicated DSO is 4.4Mt at 61% Fe, "Green Steel" 34Mt at 58% DTR to 69% Fe concentrate. The company has recently completed a 65-hole drilling programme to add further DSO tonnes and is awaiting the finalisation of a scoping study on the development of a low-cost DSO start-up operation.

### Project description

The company has three iron ore projects in Madagascar but is currently focused on Bekisopa in the central south of Madagascar which has a maiden resource of 194.7Mt from drilling only 30% of the 6km strike length. AKORA is in the process of proving Bekisopa up as a significant resource and has highlighted in presentations an exploration potential of 0.5bn to 1bn tonnes. The project has outcropping and weathered zone Direct Shipping Ore (DSO) iron ore and has the potential to produce a clean premium grade (+68%) iron ore concentrate suitable for Direct Reduced Iron pellets. In addition to Bekisopa, the company holds unexplored tenements at Satrokala, to the south-west of Bekisopa, where 66 rock chip samples have averaged 64.5% Fe and there is a known magnetic anomaly potentially 10-30km in length. On the central east coast the company holds additional prospective tenements, Tratramarina and Ambodilafa projects.

### Infill drilling complete, waiting on scoping study

AKORA recently completed 65 drill holes for a total of 905m across Bekisopa's northern and central zones, with an average depth of 11.2m of iron ore mineralisation intercepted. Drilling was conducted on a 50m by 50m grid, where intercepts averaged around 18m along a 6km strike in the north and 9.2m in the central zone. The company reported it was confident that the drilling would lead to an upgraded DSO resource. AKORA is currently undertaking a scoping study on the project to define pathways to developing a low-cost DSO start-up operation to generate early cashflows. This will include a minimal capital cost start-up case using 'fit for purpose' capital, such as mobile crushing and screening plants to reduce initial capital costs and create operational flexibility. The scoping study, which uses the 2022 DSO infill drilling Indicated Mineral Resource tonnes and grade, is expected to be released by the end of October.

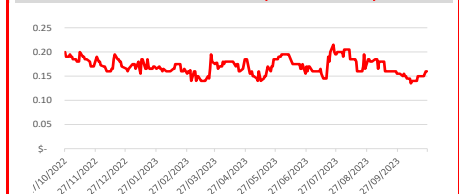
### Medium term outlook for iron ore remains robust

AKORA Resources is well positioned to leverage the opportunity of continuing strength in iron ore demand and prices. Its project is within geographical proximity to the growing Indian iron and steel industry and to the Middle East where production in green Direct Reduced Iron pellets is growing. Leading US bank JP Morgan recently raised its iron ore price forecast for 2023-2024, stating that the market has somewhat rebalanced over the medium term. JP Morgan is forecasting iron ore prices of US\$117/t (+6% compared to its previous forecast) in 2023, US\$110/t (+13%) in 2024 and US\$105/t (+17%) in 2025. On tonnages, industry forecaster Wood McKenzie is forecasting that demand for +67% Fe concentrate is expected to increase five-fold by 2050, with demand reaching 758Mt but supply only stretching to 400Mt. AKORA looks well placed to deliver clean +68% iron concentrate for the emerging "Green Steel" decarbonisation future.

#### Share Details

ASX code	AKO
Share price (26-Oct)	\$0.16
Market capitalisation	\$15.2M
Number of shares	95.0M
Options on issue	14.7M
Net cash at 30-Jun-2023	\$3.1M*

#### Share Price Performance (12 months)



#### Upside Case

- JORC estimate upgrade following drilling programme
- Opportunity to leverage its geographical proximity to India and Middle East
- Global demand for high-grade iron ore continues to outstrip supply

#### Downside Case

- Drilling fails to deliver resource upgrade
- Iron ore prices collapse, changing project economics
- Geopolitical uncertainty delays construction

#### Catalysts

- Scoping study released at end-October
- Resource upgrade
- Pre-Feasibility Study completed

#### Comparative Companies (Australia & NZ)

CZR, HIO, MIO, MGT

#### Company Contacts

Paul Bibby (Managing Director) +61 419 449 833  
paul.bibby@akorav.com

#### RaaS Contacts

Andrew Williams +61 417 880 680  
andrew.williams@raasgroup.com  
Finola Burke +61 414 354 712  
finola.burke@raasgroup.com

## FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

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Contact Details, BR and RaaS

BR Head Office: Suite 5GB, Level 5, 33 Queen Street, Brisbane, QLD, 4000

RaaS. 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: [finola.burke@raasgroup.com](mailto:finola.burke@raasgroup.com)

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