ELMORE

(formerly IndiOre Limited)

ACN 057 140 922

Annual Report

for the year ended
30 June 2020

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CORPORATE DIRECTORY

Directors	P I Richards B. Comm *Non-Executive Chairman* D Mendelawitz *Managing Director / CEO* N Senapati *Non-Executive Director* T Webster *Non-Executive Director*
Company Secretary	S P Henbury
Registered Office	c/- Armada Accountants & Advisors 18 Sangiorgio Court Osborne Park WA 6017 Telephone: (08) 6165 4000 Facsimile: (08) 6165 4067
Corporate Office	129-131 Edward Street PERTH WA 6000 Telephone: (08) 6323 2310 Email: info@elmoreltd.com.au
Web Site Address	www.elmoreltd.com.au
Share Registry	Automic Registry Services Level 2, 267 St Georges Terrace PERTH WA 6000 Telephone: (08) 9324 2099
Auditors	BDO Audit (WA) Pty Ltd Level 1, 38 Station Street Subiaco WA 6008
Stock Exchange Listing	Elmore Limited's shares and options listed on the Australian Securities Exchange Australian Securities Exchange Share Code: ELE

CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to be presenting you with the Elmore Ltd Annual Report for the financial year ended 30 June 2020 ("FY 2020").

Last year, the decision was made to cease all operations in India and to concentrate on new opportunities here in Australia. During this current year, the legacy issues associated with this decision have been finalised, and I am delighted to start seeing the tangible results from the work that we have been doing over the last year. It is exciting to see that the Company has now completed its first processing contract for which it has been paid in full and now we have ongoing access to mobile equipment for the next project.

Additionally, I am glad that the revised ICA Mining contract is now finalised, and we are busily engaged in delivering, what we are confident will be a very exciting project at Peko near Tennant Creek. We look forward to playing a major part in finally unlocking the significant value that have been locked up in the tailings there for so many years.

Elmore has completed the design of its revolutionary modular foundation system which will be used to support large scale moveable processing for gold and other mineral projects that are currently stranded, due to their size not justifying a fixed plant. The Company is in the process of negotiating contracts on several projects and is targeting the first plant featuring our modular foundation system being deployed in 2021. This will be a major milestone for both the Company and an industry, in much need of this processing service

I would like to take this opportunity to thank all our shareholders, our management team, and my fellow board members for their ongoing support. This has been a very frustrating time for all concerned, however it now appears that the long process of transitioning is at an end, and we currently have, a lot of very exciting opportunities that are presenting themselves. We are looking forwards to turning Elmore into a successful Company and to be something that Shareholders can be rightly proud of.

Peter Richards
Chairman

DIRECTORS' REPORT

The Directors of Elmore Limited (formerly IndiOre Limited) (the Company or Elmore) present their report on the consolidated entity (referred to hereafter as the Group), consisting of Elmore Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2020.

DIRECTORS

The following persons were Directors of Elmore Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Richards	Non-Executive Director
David Mendelawitz	Managing Director/CEO
Nik Senapati	Non-Executive Director
Tim Webster	Non-Executive Director (appointed 29 May 2020)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was to review, assess and cease its beneficiation strategy in India. This was followed by the assessment, development and processing of minerals projects in Australia.

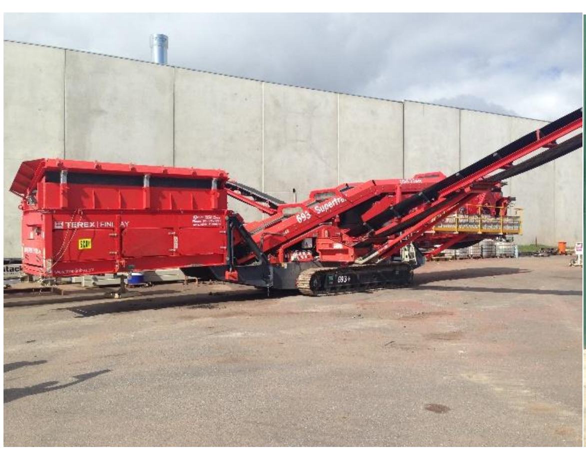
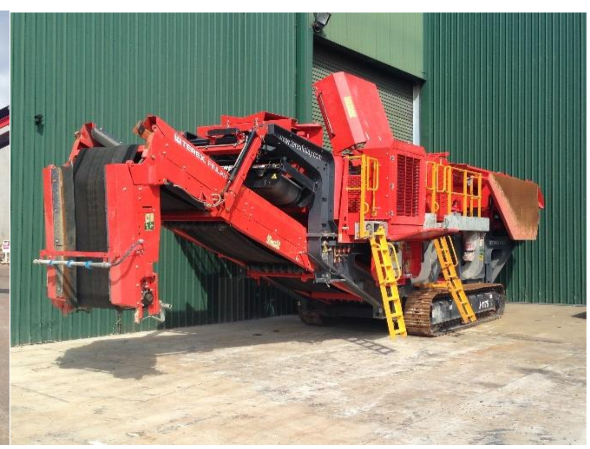
DIVIDENDS

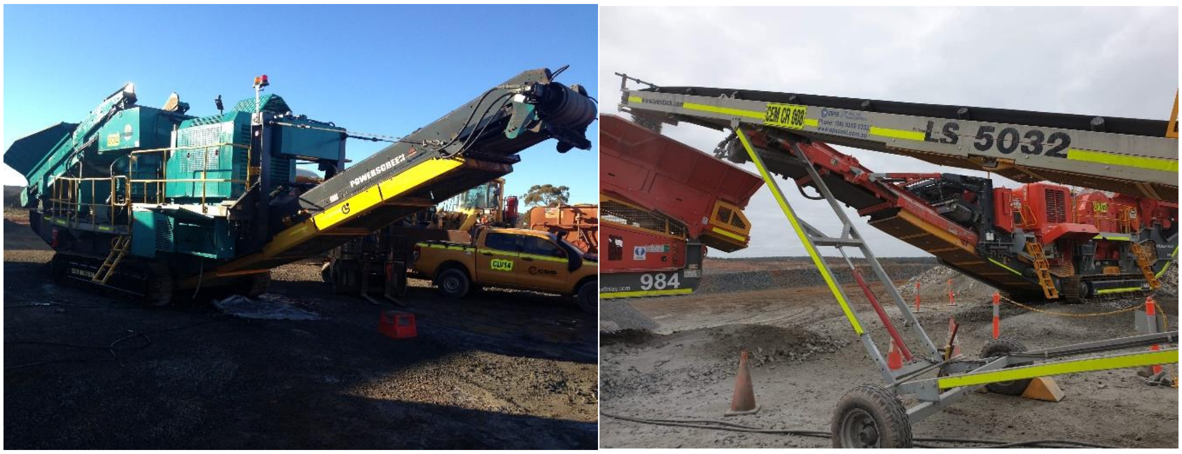
The Directors do not recommend the payment of a dividend and no amounts have been paid or declared by way of dividend since the start of the financial year.

OPERATING AND FINANCIAL REVIEW

OPERATIONS

On 1 July 2019, the Company announced that it had signed an MOU with Trendsheer Holdings Pty Ltd (**Trendsheer**) for materials processing at their Frances Creek Iron Ore Mine in the Northern Territory. An agreement was later executed in relation to this contract, converting it a contract to provide our equipment for the client to operate, and technical expertise at a fixed rate per month.



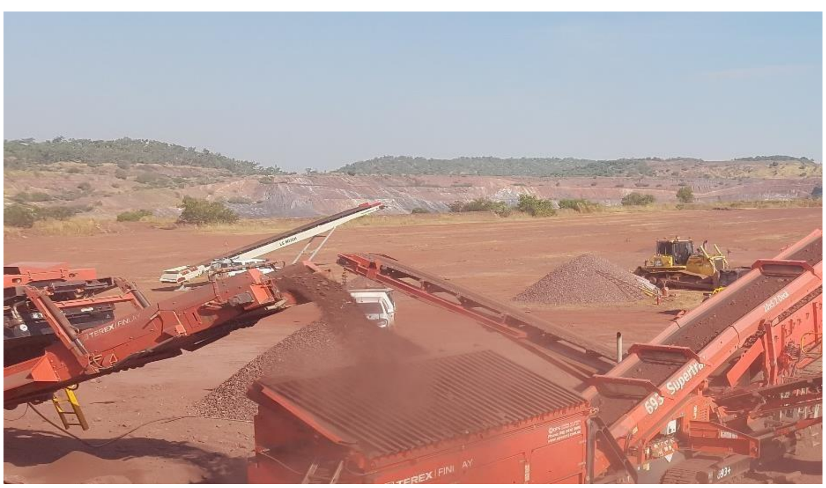
Mobile processing equipment used at Frances Creek

In the same announcement, the Company confirmed that it had executed an agreement with ICA Mining Pty Ltd to provide consulting and processing services for their Peko magnetite and gold project, 10kms from Tennant Creek in the Northern Territory.

Frances Creek

Elmore mobilised its crushing and screening plant to Frances Creek in late March 2020. The plant was used to crush low- grade iron ore stockpiles. Elmore designed a flow sheet based on technical work that it undertook, which determined that the low-grade material could be upgraded using an ore-sorter, dense media separation (DMS) or magnetics. It was determined that ore-sorting would be initially chosen for larger particle sizes and DMS for the fines material (which is the majority of the material). As ore-sorting and DMS are outside the scope of Elmore's mandate and were the responsibility of Trendsheer. As they were not on site at the time that Elmore started on site, the contract was varied from being a per tonne of product produced rate, to a fixed rate per month.

Elmore and Trendsheer agreed to vary the contract to a fixed rate of $200,000 per month plus GST, for which Elmore provided the crushing circuit and management oversight for the crushing, screening, beneficiation and maintenance personnel. This variation was executed in May 2020 and obligated Trendsheer to be responsible for all operating and maintenance costs associated with the plant, whilst providing Elmore with more certainty of cashflows, independent of when the ore-sorter and DMS is commissioned.



Elmore's crushing and screening plant established at Frances Creek.

Peko Tailings Project

During the year, ICA Mining Pty Ltd (ICA) finalised its funding for its Peko Tailings Project (Peko) which allowed Elmore to commence preparations towards processing of both iron ore and gold. Pursuant to the contract with ICA, from 1 May 2020 Elmore was entitled to be paid a monthly standby rate of $200,000 plus GST. In the interests of both parties, Elmore offered ICA for this fee to be restructured such that the Company will provide additional project management services, including but not limited to, geology, safety, security. This is in addition to the originally planned oversight of design, procurement and construction of ICA's magnetite processing facilities.

Elmore and ICA Mining completed negotiations in July 2020, amended and executed the service contract and settled outstanding invoices issued for the May and June period that were accrued during the negotiations.

The changes in the contract relates primarily to the fee structure for the delivery of the magnetite processing component of the contract (with no changes to the gold processing component). The pertinent changes to the contract are:

- Replacement of the standby rate with a schedule of consulting rates, plus a 10% administration margin on monthly invoices. The consulting schedule of rates has applied until October 31st, the target date for first magnetite product.
- The previous contract had Elmore receiving a tiered percentage of free cash generated from magnetite product sales. It was agreed that this was both difficult to administer and potentially counter to the interests of all parties. From the 1st November 2020 onwards, for a term of 5 years, Elmore will now oversee the production of magnetite from ICAs plant on the revised structure of:
    1. All operating costs borne by ICA;
    2. Monthly management fee paid to Elmore of $100,000 plus GST paid in arrears and calculated pro-rata each calendar month during the Processing Stage; and
    3. Production fee of $2.00 per tonne of saleable magnetite product removed from site to be paid to Elmore.

Gold, copper and cobalt (polymetallic) rich tailings processing remains unchanged at:

Processing of Gold, Copper and Cobalt Bearing Tailings Post Treatment for Magnetite Extraction – Gravity separation, Flotation and Leaching

- AU$30.00 per tonne of in-feed with power provided by Processor
- AU$22.00 per tonne of in-feed with power provided by Miner

Processing of Gold Bearing Primary Ore – Crushing, Grinding, Gravity separation, Flotation and Leaching

- AU$44.00 per tonne of in-feed with Power provided by Processor
- AU$36.00 per tonne of in-feed with power provided by Miner

Elmore and ICA Mining have agreed to suspend the commencement of the polymetallic tails processing project until later in H2, 2021 to provide time to optimise the final product(s) to be produced. The project is looking to produce a combination of concentrate +/- gold dore.

At the time of writing, there is no certainty over if or when the polymetallics processing would commence and if so, whether the scope and structure would still be suitable.

CORPORATE

Voluntary Suspension

As a consequence of the change in the Company's business focus, on 11 December 2018 the Company requested a voluntary suspension on the trading of its securities.

At the time of lodging this report the Company remains in suspension.

Divestiture of Subsidiaries

Elmore has completed the divestiture of its Singaporean subsidiary company (ISIO), and as a result, the Indian subsidiary (NSLMRI), including all of their liabilities.

After the failure of Benita Industries to meet agreed conditions, a subsequent agreement was made, on materially similar terms, with the Goode Family Trust (GFT). An entity controlled by former CEO/Managing Director, Cedric Goode. GFT now owns all the shares in the former Singaporean subsidiary and thus control of its Indian subsidiary (NSL MRI) for:

- $1 and agreement that GFT are to pay the outstanding balance owed to Huate for the WIHMS and LIMS that were bought for the Indian P3 expansion, and
- Using best endeavours to secure of the WHIMS and LIMS for Elmore's future use.

As part of the agreement Elmore agreed to cover some of the Singaporean corporate costs for up to 6 months. No significant relevant corporate expenditure has been incurred, that Elmore would be liable to pay for.

Biggs Matter

During the current year, Elmore settled the Biggs matter for an anticipated cash settlement of $50,000 to be paid by Mr Biggs by 30 June 2020. In July, the Company entered a Deed of Settlement with Mr Briggs to repay the settlement amount via 5 equal instalments beginning in July 2020. All of the planned payments were made to Elmore as per the Deed.

Sean Freemen Matter

On 26 April 2019 Sean Freeman's (previous Chief Operating Officer of Elmore and Managing Director of the Indian subsidiary, NSL MRI) employment was terminated.

Subsequently, Mr Freeman issued legal proceedings against Elmore and personally against Elmore's Managing Director for wrongful dismissal and further a failure to pay a range of purported entitlements under his Executive Service Agreement.

The matter was heard by the Federal Circuit Court on Friday 16 October 2020. The Company was successful at trial and the case was dismissed in its entirety. Due to the forum in which the trial was held, no order was made for the costs of either party.

Gold Valley Iron Pty Ltd - Matter

The key terms of the plant purchase agreement and processing agreement were included in the announcement of 31 May 2019 and include several conditions precedent that must be met before the final payment of $1,000,000 + GST becomes payable to GVI. These conditions were to have been met to Elmore's satisfaction, prior to 28 October 2019. GVI could not demonstrate to Elmore that they had been able to satisfy all of the conditions precedent and as such, the Company did not make the final payment.

GVI issued a writ against Elmore seeking payment of the $1million final payment. Subsequently, the action was suspended indefinitely, after GVI was placed into external administration. A Deed has been agreed by the Receivers and the Liquidators, in which it is confirmed that the $1 million final payment will not be sought from Elmore Ltd. This Deed is agreed, however not yet signed and hence included as a contingent liability.

Fund Raising

The Company raised $1.125 million in September 2019, through the issue of 28,125,000 ordinary shares at $0.04 per share to First Samuel Ltd.

Then in December the company received a $500,000 bridging loan from Twynam Investments Pty Ltd, in the form of a 90-day secured note. The note included interest at 20% per annum and was originally set to mature on 18 March 2020. The note has subsequently continued to roll over, on a default interest rate of 30% since that date. The note is convertible at $0.02 per share equivalent. This note has been rolled over by agreement to 31 March 2021.

On 5 March 2020, the Company entered into a loan agreement with SA & J Boyle for the principal sum of $20,000 at an interest rate of 12% per annum payable by 5 September 2020. The loan was rolled over by agreement to 31 March 2021 and is now attracting interest of 18% pa.

On 20 March 2020, the Company entered into a loan agreement with J.E.D International Pty Ltd for the principal sum of $75,000 at an interest rate of 3.5% per month payable over a three month term. This loan has been rolled over by agreement to 31 March 2021 at the same rate.

The Company also received $100,000 on 20 March 2020 after entering into a loan agreement with OMT Investments Pty Ltd at an interest rate of 3.5% per month payable over a three month term. This loan has been rolled over by agreement to 31 March 2021 at the same rate.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

At reporting date, the Company incurred a total comprehensive loss after interest, taxation, depreciation, amortisation and impairment of $1,930 million (2019: $15.765 million).

Impacting the net loss of $1.930 million for the year were the following significant non-cash items:

- Depreciation costs of $0.677 million; and
- Gain on deconsolidation of $0.379 million.

STATEMENT OF FINANCIAL POSITION

Total assets at reporting date were $3.006 million. The following significant items impacted on assets:

- Receivables of $0.937 million; and
- Property, plant and equipment of $1.587 million.

Total liabilities at reporting date were $2.591 million.

Total equity attributable to shareholders decreased by $0.765 million to $0.414.

STATEMENT OF CASH FLOW

Consolidated cash flows from operating activities resulted in a net cash outflow of $1.961 million, representing an decrease of $4.834 million from the prior year primarily relating to payments to suppliers and employees.

Net cash inflows from investing activities resulted in a net cash outflow of $.114 million due primarily to the receipt of repaid loan funds.

Net cash inflows from financing activities resulted in a net cash inflow of $1.801 million primarily due to proceeds received from capital raisings and borrowings.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than disclosed elsewhere in the annual report, there were no significant changes in the State of Affairs of the Company.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Frances Creek

The six-month equipment hire contract with Trendsheer was completed on 30 September 2020.

Elmore determined Trendsheer's final equipment "make good" payment in early October and then signed a land Access Agreement, which allows the Company to relocate the mobile and fixed crushing and screening plant (FCFP) from Frances Creek.

Trendsheer finalised all outstanding payments in early October, which totalled more than $980k.

With the Access Agreement signed, work was undertaken to dismantle the FCFP and relocate it to Darwin. Where it can be worked on and stored, whilst determining the next location for it to be deployed. The plant is now fully relocated safely to Darwin.

The Company has started the process of converting the FCFP components into a 4-5Mtpa moveable crushing and screening plant, utilising the Company's proprietary modularly foundations.

Sean Freeman matter

The trial of the employment dispute between Sean Freeman and Elmore Ltd was heard by the Federal Circuit Court on Friday 16 October 2020.

The company was successful at trial and that Mr Freeman's case was dismissed in its entirety. Due to the forum in which the trial was held, no order was made for costs of either party.

Other than disclosed elsewhere in the annual report, there were no significant changes in the State of Affairs of the Company.

INFORMATION ON DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are set out below, together with details of qualifications, experience and responsibilities.

P I Richards B. Comm. *Non-Executive Director/Chairman*
Appointed as a Non-Executive Director on 13 August 2009
Resigned as Non-Executive Chairman on 5 April 2017
Appointed as a Non-Executive Chairman on 31 August 2018

Experience and expertise
Mr Richards has more than 40 years of business and international experience with global companies including BP plc, Wesfarmers Limited, Dyno Nobel Limited and Norfolk Holdings Limited. Most recently he was CEO of Norfolk and was previously CEO of Dyno Nobel prior to its takeover in 2008. During his time with Dyno Nobel, Peter successfully led the Asia Pacific operation based in Sydney and then the North American business unit based in Utah, USA. After becoming CEO, Peter expanded the business into China, Southern Africa and Europe while continuing to build upon its core Australian and North American operations.

Other current directorships
Emeco Holdings Limited
GrainCorp Limited

Former directorship in last 3 years
None

Special responsibilities
Non-Executive Director and Chairman.

Interest in shares and options
5,650,629 shares in Elmore Ltd

N Senapati. *Non-Executive Director*
Appointed as a Non-Executive Director on 28 September 2018

Experience and expertise
Dr Senapati is the Honorary advisor to Federation of Indian Chambers of Commerce and Industry (FICCI) in Australia and is an advisor to Dua Associates and Consulting in New Delhi. Nik is also the President of the Australia India Business Council in Queensland. Until 2015 Nik was country head of Rio Tinto in India, a role that he held for almost 10 years.

Nik is a geologist and has spent over 35 years in the mining industry with roles in exploration, operations, strategy and external relations. He chaired the mining committee of Confederation of Indian Industry, was instrumental in establishing the Sustainable Mining Initiative for the Indian mining industry and initiated the Skills Council in the Mining Sector. Nik was educated in India, Australia and as a Rhodes Scholar in the UK.

Other current directorships
None

Former directorship in last 3 years
None

Special responsibilities
None

Interest in shares and options
Nil shares in Elmore Ltd
Nil unlisted options in Elmore Ltd

INFORMATION ON DIRECTORS (Continued)

D Mendelawitz. *Managing Director/Chief Executive Officer*
Appointed as a Managing Director / CEO on 15 October 2018

Experience and expertise

David is an accomplished mining industry executive with extensive international experience in exploration, mining and commerce. He has a Bachelor of Science (Applied Geology) with Honours from W.A.'s Curtin university and a Graduate Diploma – Applied Finance and Investment (Mining Investment Analysis) from the WA Securities Institute. David most recently held the position of Managing Director at Cleveland Mining Company Limited (ASX: CDG), where he oversaw the funding, discovery, development and commencement of mining at the Crixas Project in Brazil.

Prior to founding Cleveland, David held the position of Head of Business Improvement at Fortescue Metals Group Ltd (ASX: FMG), where he played a key role in iron ore exploration, project construction, mine and infrastructure optimisation and expansion planning. During his 5 ½ years at Fortescue, David was initially the Exploration Manager for Eastern Tenements, overseeing field works which were part of the delineation of 2.8 billion tonnes of iron ore in 1 year. He then became the Registered Manager of Mining during the trial mining operations as part of the $140 million feasibility study conducted over the project.

David has built a strong track-record in delivering success both as a geologist and in senior management roles, having worked across a diverse range of assets in jurisdictions including Australia, Brazil, Papua New Guinea and the USA.

Other current directorships

Former directorship in last 3 years
Cleveland Mining Company Ltd

Special responsibilities
Managing Director

Interest in shares and options
Nil shares in Elmore Ltd
Nil unlisted options in Elmore Ltd

T Webster. *Non-Executive Director*
Appointed as a Non-Executive Director on 29 May 2020

Experience and expertise

Mr Webster is both a longstanding Top 20 Elmore shareholder and a highly experienced Engineer. Mr Webster is Perth based and is currently Project Delivery Manager with Wood, a company with +55,000 staff worldwide, across a broad range of industrial markets. He is currently involved in supporting the construction of the $1+ billion Kemerton Lithium Hydroxide plant. Previous to this role, Mr Webster was the EPC Project Director for the Amec FosterWheeler / CIVMEC joint venture at the Gold Roads / Goldfields JV Gruyere Project.

With over 30 years' experience in various industries at all levels including general operations management, project and construction management, and broader project engineering, Mr Webster has gained extensive experience across a wide range of industry sectors and the full spectrum of the supply chain.

Other current directorships
None

INFORMATION ON DIRECTORS (Continued)

Former directorship in last 3 years
None

Special responsibilities
None

Interest in shares and options
9,922,074 shares in Elmore Ltd
Nil unlisted options in Elmore Ltd

COMPANY SECRETARY

The Company secretary is Mr Sean P Henbury. Mr Henbury was appointed to the position of the Company secretary in 2007, Mr Henbury (FCA, FITA) is a Chartered Accountant with over 23 years' experience in public practice with three of Perth's major Accounting firms.

Sean is a Director at Armada Accountants & Advisors with over 23 years' experience in public practice with four Perth Accounting firms. He has provided client support across a wide range of industries including mining, exploration, research and development, retail, construction and manufacturing. His primary areas of expertise include taxation consulting, taxation compliance, corporate restructuring, financial reporting, and Company secretarial requirements. He has been the company secretary of a number of publicly listed companies and is regularly called upon to advise Directors of their duties.

Sean is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, a Chartered Tax Adviser and Member of The Tax Institute, as well as a registered Tax Agent and a registered Self-Managed Superannuation Fund Auditor.

MEETINGS OF DIRECTORS

The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2020, and the numbers of meetings attended by each director were:

Name	Board		Audit Committee		Remuneration Committee		Other (include details)	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
P I Richards	28	28	-	-	-	-	-	-
N Senapati.	28	28	-	-	-	-	-	-
D Mendelawitz	28	28	-	-	-	-	-	-
T Webster	3	3	-	-	-	-	-	-

The audit committee and remuneration committee functions are performed by the full board. Please refer the Corporate Governance Statement section under the heading Principle 2: Structure the Board to add value.

REMUNERATION REPORT – AUDITED

This remuneration report sets out remuneration information for the Company's non-executive directors, executive director and other key management personnel.

Directors and executives disclosed in this report

Name	Position
Non-executive and executive directors – see page 12 to 17 above	

Other key management personnel of the Group.

There were no other key management personnel of the Group during the year.

Remuneration Governance

Role of the remuneration committee
The remuneration committee is a committee of the board. It is primary responsible for making recommendation to the board on:

- non-executive director fees
- executive remuneration (directors and other executives), and
- the over-arching executive remuneration framework and incentive plan policies.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with long-term interests of the Company.

The Corporate Governance Statement provides further information on the role of this committee.

Principles used to determine the nature and amount of remuneration

Non-Executive Director
Fees and payments to the non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Non-Executive Chairman fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive directors have received short term incentive options but do not receive performance bonuses.

Directors' fees
The current base remuneration was last reviewed with effect from 1 July 2011. The Chairman currently receives a fixed fee for his services.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $250,000 per annum and was approved by shareholders at the annual general meeting on 30 November 2011.

The following non-executive director fees have applied to the respective financial years:

REMUNERATION REPORT – AUDITED (Continued)

Name	2020 $	2019 $
Chairman	60,000	68,000
Other non-executive directors (in aggregate)	52,000	108,263

Retirement allowances for non-executive directors
No retirement benefits are provided.

Executive Directors
The Company had one Executive Director during the year, Mr David Mendelawitz.

The executive pay and reward framework has two components being base pay and benefits, including superannuation, and incentive share options granted. The Group does not offer any retirement benefits to Executive Directors.

Use of remuneration consultants
During the year 30 June 2020, the Company did not engage any remuneration consultants.

Voting and comments made at the company's 2018 Annual General Meeting
The Company received more than 95.72% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The 2019 AGM of the Company has not been held at the time of lodging these financial statements.

Relationship of Rewards and Performance
The value of incentive options, performance options /rights and performance bonuses can represent a significant portion of an executive's salary package. The ultimate value to the executives of and link to remuneration policies are the vesting conditions placed upon performance share options and bonuses and or the share price as the realised value arising from options issued is dependent upon an increase in the share price to above the exercise price of the options.

The details of the vesting conditions associated with performance shares are disclosed share-based compensation section of the remuneration report.

Company performance, shareholder wealth and Director and Executive remuneration
As the Company is not yet generating earnings nor paying dividends, the share price is the key measure of shareholder value. The table below shows the performance in share price over the year and previous 3 years.

Year	30 June 2017 $	30 June 2018 $	30 June 2019 $	30 June 2020 $
Closing Share price	0.028	0.01	**0.069** (1)	**0.069** (1)
% Change	115%	(64%)	**(31%)**	**(-%)**
Total Director & KMP Remuneration	1,013,849	1,102,503	1,149,677	461,508

(1) The closing share price used is the final price before the company requested a voluntary suspension on the trading of its securities on 12 December 2018.

The issuing of share options under Director and Employee share option plans helps align the Boards personal interests to that of the shareholders.

REMUNERATION REPORT – AUDITED (Continued)

Details of Remuneration

Details of the remuneration of the directors and the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following tables.

2020	Short-term employee benefits			Post-employment benefits	Long-term Benefits		Share-based payments		Proportion of remuneration that is performance based	% of Value of remuneration that consists of options
	Cash salary and fees	Expense Benefit	Non-monetary benefits	Super-annuation	Long service leave	Termination benefits	Options	Total		
	$	$	$	$	$	$	$	$	%	%
Non-executive Directors										
P I Richards	60,000	-	-	-	-	-	-	60,000	-	-
N Senapati	48,000	-	-	-	-	-	-	48,000	-	-
T Webster (1)	4,000	-	-	-	-	-	5,457	9,457	-	57.70%
Executive Director										
D Mendelawitz	297,917	-	17,832	28,302	-	-	-	344,051	-	-
Total key management personnel compensation										
	409,917	**-**	**17,832**	**28,302**	**-**	**-**	**5,457**	**461,508**	**-**	**1.18%**

(1) Appointed as Non-Executive Director on 29 May 2020. Pro-rata amount paid for the period

2019	Short-term employee benefits			Post-employment benefits	Long-term Benefits		Share-based payments		Proportion of remuneration that is performance based	% of Value of remuneration that consists of options
	Cash salary and fees	Expense Benefit	Non-monetary benefits	Super-annuation	Long service leave	Termination benefits	Options	Total		
	$	$	$	$	$	$	$	$	%	%
Non-executive Directors										
J Muir (1)	10,000	-	-	-	-	-	-	10,000	-	-
P I Richards	58,000	-	-	-	-	-	-	58,000	-	-
N Senapati (2)	36,263	-	-	-	-	-	-	36,263	-	-
R J Betros (3)	52,000	-	-	-	-	-	-	52,000	-	-
P Linford (4)	36,000	-	-	-	-	-	-	36,000	-	-
Executive Director										
C F Goode (5)	325,363	-	-	10,500	-	-	-	335,863	-	-
D Mendelawitz (6)	228,566	-	9,875	21,714	-	-	-	260,155	-	-
Other key management personnel										
S M Freeman (7)	208,333	-	17,695	25,000	-	-	-	251,028	-	-
T Lee (8)	91,429	-	9,602	9,337	-	-	-	110,368	-	-
Total key management personnel compensation										
	1,045,954	**-**	**37,173**	**66,551**	**-**	**-**	**-**	**1,149,677**	**-**	**-**

REMUNERATION REPORT – AUDITED (Continued)

(1) Retired as Chairman 31 August 2018
(2) Appointed as Non-Executive Director on 28 September 2018. Pro-rata amount paid for the period
(3) Appointed as Non-Executive Director on 18 April 2018. Resigned on 6 March 2019. Included in the salary paid to Mr Betros was paid $16,000 in consulting on the Indian plant.
(4) Resigned as Non-Director on 6 March 2019
(5) Retired as Managing Director/Chief Executive Officer on 31 August 2018. At the time of resignation, Mr Goode received payment of his unused annual leave, long service and sick leave which amounted to $260,867.
(6) Appointed as Managing Director/Chief Executive Officer on 15 October 2018
(7) Terminated as Chief Operating Officer on 25 April 2019
(8) Resigned as Financial Controller on 14 December 2018. At the time of resignation, Mr Lee received payment of his unused annual leave which amounted to $13,621.

Service agreements

Service contracts are entered into by the Group with all key executives, describing the components and amounts of remuneration applicable on their initial appointment, including terms and performance criteria for performance-related cash bonuses and entitlements to employee options, if applicable. These contracts do not fix the amount of remuneration increases from year to year. Remuneration levels are reviewed generally each year by the Remuneration Committee to align with changes in job responsibilities and market salary expectations.

On 15 October 2018 the Company entered into a service agreement with the new Managing Director, Mr Mendelawitz. The agreement states that he will receive a salary of $325,000 (plus superannuation) per annum, reviewed annually.

At the General Meeting held on 5 July 2019, the shareholders of the Company voted to award Mr Mendelawitz up to 47,000,000 production incentive shares, short term incentive shares and long term incentive shares. Mr Mendelawitz's entitlement to the production incentive shares was subject to the Company commissioning a process plant being completed on time and on budget within 5 years of shareholder approval.

Due to the change of business focus above, the incentive shares have not been issued. As a result no amount has been expensed in the 2020 financial year. It is expected that a new incentive plan will be put to shareholders at the next AGM.

On 29 May 2020 the Company entered into a service agreement with the new non-executive director, Mr Tim Webster.

Mr Webster's service agreement includes the provision of 2,000,000 director options, with an exercise price equal to 200% of the 5-day VWAP prior to the grant date or 200% of the price at which equity is raised. The options have a 3 year from issue exercise date with no vesting conditions. Mr Webster's entitlement to the director options is subject to approval at the next Extraordinary General Meeting or Annual General Meeting. If Mr Webster resigns as a Director of the Company before they are approved at a General Meeting he will not be entitled to receive the options. At the time of publishing the annual report, the Company had not held either meetings, and the options have not been issued.

The director options are subject to shareholder approval, and so cannot be issued.

The options have been valued at 29 May 2020 at $43,493 using the Black-Scholes option pricing model as the fair value of the services received can't be reliably measured using another method. The Black Scholes inputs and valuations were as follows:

REMUNERATION REPORT – AUDITED (Continued)

Options	
Number of options	2,000,000
Valuation date	29 May 2020
Underlying spot price AUD $	$0.04
Exercise price AUD $	$0.08
Expected volatility	100%
Implied option life	3 years from issue date
Expected dividend yield	Nil
Risk free rate	0.26%
Valuation per option AUD $	$0.0218

The value has been expensed over the period from 29 May 2020 to the expected date of the General Meeting in which the options are expected to be approved. As a result a share based payment expense of $5,457 in relation to the options to be issued has been recognised in the 2020 financial year.

Share-based compensation
There were nil incentive options issued during the year as compensation to directors.

Shares provided on exercise of remuneration options
There were no ESOP options exercised during the year. Refer to the Key Management Personnel Share Holdings section of the remuneration report for details.

Employee share scheme
None of the directors of the Company, other key management personnel of the Group or the Group Company Secretary are eligible to participate in the Company's employee share scheme.

Key Management Personnel Option Holdings
Details of option holdings and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

2020 Name	Balance at the start of the year	Granted	Exercised	Other Changes	Balance at the end of the year	Vested and exercisable	Unvested
Non-executive Directors							
P I Richards	-	-	-	-	-	-	-
N Senapati	-	-	-	-	-	-	-
T Webster (1)	-	-	-	-	-	-	-
Executive Director							
D Mendelawitz	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(1) Appointed as Non-Executive Director on 29 May 2020.

Key Management Personnel Share Holdings
The numbers of shares in the Company held during the financial year by each director of Elmore Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2020 Name	Balance at the start of the year	Granted	Received on exercise of options or rights	Other changes (1)	Balance at the end of the year
Directors					
P I Richards	5,733,962	-	-	-	5,733,962
N Senapati	-	-	-	-	-
T Webster (1)	9,922,074	-	-	-	9,922,074
Executive Director					
D Mendelawitz	-	-	-	-	-
Total	**15,656,036**	**-**	**-**	**-**	**15,656,036**

(1) Appointed as Non-Executive Director on 29 May 2020. Mr Webster's shareholding at the date of his appointment as a director of the company was 9,922,074.

Loans and other transactions with key management personnel

There were no loans provided to key management personnel during the year.

From September 2019, Mr Mendelawitz rented accommodation in Pine Creek for the use of staff and contractors while working on the Francis Creek and Peko sites. Mr Mendelawitz did not use the site himself. The accommodation was rented from an unrelated third party and the amount of rent and expenses related to this equated to $12,105, which is an arm's length amount. The Company paid for this on Mr Mendelawitz's behalf.

End of Audited Remuneration report.

SHARES UNDER OPTION/RIGHT

Unissued ordinary shares of the Company under option/right at that date of this report are as follows:

Date option/right granted	Expiry date	Issue price of shares	Number under option/right
28/6/2018	28/06/2021	$0.2091	333,334

INSURANCE OF OFFICERS

During the financial year, ELE paid an insurance premium in respect of a contract insuring directors, secretaries and executive officers of the Company and its controlled entities against a liability incurred as director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of its controlled entities against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

Other than matters stated in "CONTINGENCIES (note 18)", no person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are satisfied that during the period, there has been no provision of non-audit services by the auditor and did not compromise the auditor independence requirements of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 19.

AUDITOR

BDO Audit (WA) Pty Ltd, continues in office in accordance with section 327 of the *Corporations Act 2001*.

David Mendelawitz
Managing Director
11 December 2020

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ELMORE LIMITED

As lead auditor of Elmore Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Elmore Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 11 December 2020

CORPORATE GOVERNANCE STATEMENT

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the Company are set and achieved, how risk is monitored and assessed, and how performance is optimised. Good corporate governance structures encourage companies to create value through entrepreneurism, innovation, development and exploration and provide accountability and control systems commensurate with risks involved.

Good corporate governance will evolve with the changing circumstances of a Company and must be tailored to meet these circumstances. IOR is a junior mining and exploration Company.

The Company's Board and management are committed to a high standard of corporate governance practices, ensuring that the Company complies with the Corporations Act 2001, Australian Securities Exchange (ASX) Listing Rules, Company Constitution and other applicable laws and regulations.

On 27 March 2014, the ASX Corporate Governance Council released the 3rd Edition of its Corporate Governance Principles and Recommendations (3rd Edition Recommendations). The Board has adopted the 3rd Edition Recommendations, has conducted an annual review of the Corporate Governance Statement, and approved the statement on 31 August 2018. The Corporate Governance Statement is available on Elmore's website at www.elmoreltd.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue from continuing operations			
Revenue	4	1,201,416	-
Other income/(expense)	4	121,249	33,733
Employee benefits expense	4	(940,781)	(1,636,029)
Operational expenses	4	(1,006,429)	-
Depreciation of non-current assets	4	(677,619)	(2,088)
Corporate expenses	4	(752,190)	(633,725)
Finance & administration	4	(249,405)	(471,689)
Share based compensation	4	(5,457)	-
Disposal of subsidiary	4	379,014	-
Loss from continuing operations before income tax		**(1,930,202)**	**(2,709,798)**
Income tax (expense)/benefit	5	-	-
Net Loss from continuing operations		**(1,930,202)**	**(2,709,798)**
Discontinued operations			
Gain /(Loss) from discontinued operations	25	-	(13,055,919)
Loss after tax for the year attributable to the owners of Elmore Limited		**(1,930,202)**	**(15,765,717)**

Other comprehensive Income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation foreign operations	34,602	2,856,090
Total comprehensive loss for the year attributable to the owners of Elmore Limited	**(1,895,600)**	**(12,909,627)**

Loss per share for the year from continuing operations attributable to the members of 'Elmore Ltd'	**Note**	**2020 ¢**	**2019 ¢**
Basic loss per share	28	(0.70)	(1.17)

Loss per share for the year from total continuing and discontinued operation attributable to the members of 'Elmore Ltd'	**Note**	**2020 ¢**	**2019 ¢**
Basic loss per share	28	(0.70)	(6.79)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	2020 $	2019 $
Assets			
Current Assets			
Cash and cash equivalents	6	9,250	55,463
Trade and other receivables	7	937,648	340,716
Total current assets		**946,898**	**396,179**
Non-current assets			
Other receivables and prepayments	7	50,772	34,918
Right of use asset	8	414,890	-
Property, plant and equipment	9	1,587,465	1,527,504
Other financial assets	10	6,282	-
Total non-current assets		**2,059,409**	**1,562,422**
Total assets		**3,006,307**	**1,958,601**
Liabilities			
Current liabilities			
Trade and other payables	11	1,224,604	292,386
Provisions	12	67,692	104,425
Borrowings	14	828,480	-
Lease liabilities	15	470,906	-
Total current liabilities		**2,591,682**	**396,811**
Non-current liabilities			
Deferred tax liabilities	13	-	382,022
Total non-current liabilities		**-**	**382,022**
Total liabilities		**2,591,682**	**778,833**
Net assets		**414,625**	**1,179,767**
Equity			
Contributed equity	16	75,991,282	74,866,282
Other reserves	17	2,709,165	2,669,106
Capital and reserves attributable to owners of Elmore Limited		78,700,447	77,535,388
Accumulated losses	18	(78,285,822)	(76,355,621)
Total equity		**414,625**	**1,179,767**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		440,000	-
Cash paid to suppliers and employees		(1,835,264)	(6,813,508)
Other income		58,032	-
Interest paid		(904)	(2,151)
Interest received		12,467	44,055
Net cash (outflow) from operating activities	27	**(1,325,668)**	**(6,771,604)**
Cash flows from investing activities			
Purchase of property, plant and equipment and prepayments		(19,397)	(5,975,046)
Refund/(Payment) for security deposits		(15,854)	176,370
Loans made			(150,000)
Loans repaid		150,000	-
Net cash inflow /(outflow) from investing activities		**114,749**	**(5,948,676)**
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs		1,125,000	3,007,341
Proceeds from borrowings		695,000	-
Lease payments		(636,123)	(23,882)
Repayment of borrowings		(19,171)	-
Net cash inflow from financing activities		**1,164,706**	**2,983,459**
Net increase/(decrease) in cash and cash equivalents		(46,213)	(9,736,822)
Cash and cash equivalents at beginning of year		55,463	9,792,284
Cash and cash equivalents at end of year	6	**9,250**	**55,462**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

CONSOLIDATED	Share Capital $	Foreign currency translation reserve $	Share based payments reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2019	**74,866,282**	**(34,602)**	**2,703,708**	**(76,355,620)**	**1,179,768**
Other comprehensive income for the year					
Exchange differences on translation of foreign operations reclassified to profit or loss following loss of subsidiary	-	34,602	-	-	34,602
Total other comprehensive income for the year	-	34,602	-	-	34,602
Loss for the year	-	-	-	(1,930,202)	(1,930,202)
Total comprehensive income /(loss) for the year	-	34,602	-	(1,930,202)	(1,895,600)
Transactions with owners in their capacity as owners					
Contributions of equity	1,125,000	-	-	-	1,125,000
Option based payments	-	-	5,457	-	5,457
Balance as at 30 June 2020	**75,991,282**	**-**	**2,709,165**	**(78,285,822)**	**414,625**
Balance at 1 July 2018	**72,750,343**	**(2,890,692)**	**2,703,708**	**(60,589,903)**	**11,973,456**
Other comprehensive income for the year					
Exchange differences on translation of foreign operations reclassified to profit or loss following loss of subsidiary	-	2,856,090	-	-	2,856,090
Total other comprehensive income for the year		2,856,090	-	-	2,856,090
Loss for the year	-	-	-	(15,765,717)	(15,765,717)
Total comprehensive income /(loss) for the year	-	2,856,090	-	(15,765,717)	(12,909,627)
Transactions with owners in their capacity as owners					
Contributions of equity	2,115,939	-	-	-	2,115,939
Share issued as consideration	-	-	-	-	-
Option based payments	-	-	-	-	-
Balance as at 30 June 2019	**74,866,282**	**(34,602)**	**2,703,708**	**(76,355,620)**	**1,179,768**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Elmore Limited and its subsidiaries.

a) Basis of Preparation

These financial statements are general purpose financial statements which has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Elmore is a for-profit entity for the purpose of preparing the financial statements.

i) Compliance with IFRS
The consolidated financial statements of Elmore Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii) Historical cost convention
The financial report has also been prepared on a historical cost basis.

iii) Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note (1)(v).

b) Going Concern

The consolidated financial statements have been prepared on a going concern basis.

For the year ended 30 June 2020, the consolidated entity recorded a loss of $1,930,202 (30 June 2019: loss of $15,765,717) and had net cash outflows from operating and investing activities of $1,210,919 (30 June 2019: $6,771,604). At 30 June 2020, the consolidated entity had working capital deficit of $1,644,784 (30 June 2019: deficit of $632).

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic. These events are having a significant negative impact on world stock markets, currencies and general business activities.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Board and Management of the Company will continue to actively pursue opportunities as they arise however the Company is not able to estimate the full effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year. If the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in the next financial year.

As at the end of November 2020, the consolidated entity's cash balance was $229,520, and had working capital deficit of $1,744,992 which, included trade creditors of $994,467, and a $618,356 (inclusive of accrued interest) bridging loan from Twynam Investments Pty Ltd (one of the largest shareholders of the consolidated entity), which would mature on 31 March 2021. It also includes various short-term loans totalling $195,000 which all originally mature by 30 June 2020 but now extended to 31 March 2021.

The ability of the consolidated entity to continue as a going concern is dependent on:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Twynam and other short-term loan holders continuing to agree to not call on the loans until such time that the company is in a position to repay;
- Current trade creditors agreeing to not call on the amounts owing until such time that the company is in a position to repay;
- The successful commercialisation and generation of positive cash flows of the consolidated entity's iron ore and gold processing projects; and
- Securing additional funding through debt or equity to continue to fund its operational and development activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons. The consolidated entity expects to:

- Continue to receive full support from its creditors, in particular, for them to not demand repayment of balances due to them until such time that Elmore Ltd has sufficient working capital or is generating sufficient revenue to meet its normal financial obligation as and when they fall due;
- Successfully secure equipment finance funding to deliver and install additional processing equipment as necessary to support our mobile crushing & screening operations in Australia. Also, to continue to expand its processing activities to generate positive cashflow from the iron ore and gold processing contracts;
- Receive an agreeable accommodation in relation to the bridging loan facility with Twynam Investments and other-short term loans, which matures now mature on 31 March 2021;
- Raise additional finance from debt or equity if and when required, to contribute to the consolidated entity's working capital position in the near term; and
- Seek to raise approximately $2 million in the first quarter of 2021. The Company is considering a number of options regarding the structure of this funding.

Should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

c) Basis of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Elmore Limited ("Company" or "parent entity") as at 30 June 2020 and the results of all subsidiaries for the year then ended. Elmore Limited and its subsidiaries together are referred to in this annual report as the Group or the consolidated entity.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policy adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and statement of financial position respectively.

d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and the Board of Directors of IOR.

e) Foreign currency translation

i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in AUD, which is ELE's functional and presentation currency.

ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

iii) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position.
- income and expenses for each income statement and statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

f) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control; the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.
Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

i) Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

j) Property, Plant & Equipment

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the diminishing-balance method to allocate their cost:

- Plant & equipment	13% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 7-30 day payment terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

l) Provisions

Provision for legal claims, and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

m) Employee benefits

i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee obligations are presented as payables.

ii) Other long-term employee benefit obligations
Liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salary and wage levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii) Share-based payments
Share-based compensation benefits are provided to employees via the Company Employee Option Plan. Information relating to the scheme is set out in note 26.

The fair value of options granted under the Company Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The Employee Option Plan is administered by the Company Employee Share Trust. When the options are exercised, the trust transfers the appropriate number of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

Share-based compensation benefits are provided to employees via the issue of Performance Rights. Information relating to the rights is set out in Share-based compensation in the Remuneration report.

The assessed fair value at grant date of rights granted to the individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date are determined using the share price at grant date.

iv) Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

n) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the equity proceeds.

Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

o) Earnings Per Share

i) Basic earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of Elmore Limited, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

q) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life.

Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

r) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments are comprised of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

s) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

t) Revenue Recognition

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

u) Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

v) Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

w) Convertible Note Liability

Convertible notes were issued by the Company during the period, which include the option to convert the security into a variable number of shares in the Company., On initial recognition, the conversion feature which is an embedded derivative together with the host debt are accounted for as financial liability at fair value through profit or loss and this equates to proceeds received. Subsequently the notes are measured at fair value with movements in its carrying amount are recognised in the statement of profit or loss as finance costs, except to the extent the movement is attributable to changes in the company's own credit status, in which case the movement is recognised in other comprehensive income.

x) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and the represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

y) Critical accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial statements.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the

nature of the services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 29 for further information.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. No impairment indicator over plant and equipment that would require impairment testing and carrying amounts do not exceed recoverable amounts.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Convertible notes
The company issued short-term convertible notes during the year, which are accounted for at fair value through profit or loss. The fair value of the convertible note is dependent upon the conversion feature which is the share price of the company. Given that the notes are due and payable as at 30 June 2020, the fair value of the notes will be its redemption value (which includes the face value and any interest and penalties accrued. The fair value hierarchy classification of convertible notes is Level 3.

z) Adoption of new accounting standards

A number of new or amended standards became applicable for the current reporting period resulting in a change to the entity's accounting policies and retrospective disclosure adjustments being made as a result of adopting AASB 16 Leases.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed below. The other standards did not have any impact on the entity's accounting policies and did not require retrospective adjustments.

(i) AASB 16 Leases
This note explains the impact of the adoption of AASB 16 Leases on the entity's financial statements and discloses the new accounting policies that have been applied from 1 July 2019.

The Group has adopted AASB 16 using the modified retrospective approach from 1 July 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised prospectively from 1 July 2019.

Adjustments recognised on adoption of AASB 16
On adoption of AASB 16, the entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using an arm's length asset finance facility borrowing rate as of 1 July 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 20%.

	1 July 2019 $
Operating lease commitments at 1 July 2019	98,560
Discounted using the lessee's incremental borrowing rate at the date of initial application	(15,031)
Add: finance leases liabilities recognised as at 30 June 2019	-
(Less): short-term leases not recognised as a liability	(16,560)
(Less): low-value leases not recognised as a liability	-
Lease liability recognised at 1 July 2019	**66,969**
Of which are:	
Current lease liabilities	29,186
Non-current lease liability	37,783

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments or onerous provisions relating to that lease recognised in the balance sheet as at 1 July 2019.

The recognised right-of-use assets relate to the following kind of assets:

	30 June 2020 $	1 July 2019 $
Land and buildings	33,484	66,969
Plant and equipment	381,405	-
Total right-of-use assets	**414,890**	**66,969**

Practical expedients applied
In applying AASB 16 for the first time, the entity has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous;
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the leases term where the contract contains options to extend or terminate the lease. The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition

date the Group relied on its assessment made applying AASB 117 and IFRIC 4 Determining whether an Arrangement contains a Lease.

aa) New accounting standards for application in future periods

There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future period and on foreseeable future transactions.

2. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise of cash and short-term deposits. The main purpose of these financial instruments is to provide finance for Group operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade payables, which arise directly from its operations.

The Group's activities expose it to a variety of financial risk, being market risk (including currency risk, interest rate risk and credit risk) and liquidity. Risk management is carried out by the Board of Directors, who regularly evaluates and agrees upon risk policy management and objectives. There are currently no other risk management policies in place.

The Group hold the following financial instruments:

	2020 $	2019 $
Financial assets		
Cash and cash equivalents	9,250	55,463
Trade and other receivables	937,648	375,634
	946,898	**431,097**

	2020 $	2019 $
Financial liabilities		
Current		
Trade and other payables	1,224,604	292,386
Lease liabilities	470,906	-
Borrowings	828,480	-
	2,523,990	**292,386**

a) Market risk

i) Foreign exchange risk
Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. There is no material foreign exchange risk, as the Group's operations are in Australia, and it has no material transactions that are denominated in a currency that is not the company's function currency.

2. FINANCIAL RISK MANAGEMENT (Continued)

ii) Cash flow and interest rate risk

The Group's interest rate risk arises from cash and cash equivalents. All borrowings that the Group has are fixed interest.

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate by maturity periods:

Floating interest rate	2020 $	2019 $
Cash and cash equivalents	9,250	55,463
Weighted average interest rate	0%	0.37%

b) Credit risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions. Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

All cash balances held at banks are held at internationally recognised institutions. Given this the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of Note 2.

Financial assets that are neither past due and not impaired are as follows:

	2020 $	2019 $
Cash and cash equivalents – 'AA- 'S&P rating	9,250	55,463
Trade and other receivables	937,648	375,634

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Directors monitor the cash-burn rate of the Group on an on-going basis against forecast and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

2. FINANCIAL RISK MANAGEMENT (Continued)

Subject to the Going Concern Note contained within Note 1, as at the reporting date the Group had sufficient cash reserves to meet its requirements.

The financial liabilities of the Group at reporting date were trade payables, borrowings and lease liabilities incurred in the normal course of the business. Trade payables and lease liabilities were non-interest bearing and were due within the normal 7-30 days terms of creditor payments. Borrowings were interest bearing as disclosed in note 14.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 June 2020	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	$	$	$	$	$	$	$
Non-derivatives							
Non-interest bearing	1,149,079	-	-	-	-	1,149,079	1,149,079
Lease liabilities	451,079	19,827	-	-	-	470,906	470,906
Interest bearing Borrowings	828,480	-	-	-	-	828,480	828,480
Total non-derivatives	**2,448,465**	**-**	**-**	**-**	**-**	**2,448,465**	**2,448,465**

At 30 June 2019	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	$	$	$	$	$	$	$
Non-derivatives							
Non-interest bearing	292,386	-	-	-	-	292,386	292,386
Total non-derivatives	**292,386**	**-**	**-**	**-**	**-**	**292,386**	**292,386**

d) Fair Values measurement

i Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision for trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The carrying value of the borrowings is equal to the fair value cash flows at the reporting date.

ii Fair value hierarchy

During the year ended 30 June 2020, there were no transfers between levels 1 and 2 for recurring fair value measurements during the year. There were also no transfers into or out of level 3 during the year.

Level 1: the fair value of financial instruments traded in active markets is based on quoted market prices at the end of the market period.

Level 2: the fair value of financial instruments not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.
Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The convertible loan with Twynam (note 14) and the investment in New Age Resources (note 10) is determined as level 3. A significant input is not based on observable market data.

iii Recognised fair value measurements

The following financial instruments are subject to recurring value measurements:

	2020 $	2019 $
Convertible loan (Level 3)	567,808	-
Investment in New Age Resources (Level 3)	6,282	-

3. SEGMENT INFORMATION

Description of the Segment

Management has determined the operating segments based on the reports reviewed by the strategic steering committee that are used to make strategic decisions.

For management purposes, the Group is organised into one main operating segment, which involves mining and exploration for iron ore in India. Discrete financial information is reported to the Board (Chief Operating Decision Makers) as one segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The revenue for current year is generated from the contracts with Trendsheer and ICA Mining.

4. REVENUE AND EXPENSES

	2020 $	2019 $
Loss before income tax includes the following items of revenue and expense:		
Other Income		
Interest income	12,467	33,733
Other income/(expense) (1)	108,782	-
Gain on disposal of subsidiary (3)	379,014	-
	500,263	**33,733**
Revenue from continuing operations		
Revenue from contracts with customers	1,201,416	-
Revenue recognised over time	**1,201,416**	**-**
Expenses from continuing operations		
Operations (2)	(1,006,429)	-
Employee benefits	(940,781)	(1,636,029)
Depreciation	(677,619)	(2,088)
Corporate expenses	(752,190)	(633,725)
Finance & administration	(249,405)	(471,689)
Share based payments	(5,457)	-
	(3,631,881)	**(2,743,531)**

(1) Other income is made up of Government Covid support and the Biggs settlement.
(2) The Company commenced its operations in Francis Creek and the Peko Tails Project during the year.
(3) During the year the Company entered into an agreement to divest its Singaporean subsidiary, I-S Iron Ore Pte Ltd. After the failure of Benita Industries to meet agreed conditions, an agreement was made on materially similar terms with the Goode Family Trust (GFT), controlled by former CEO/Managing Director, Cedric Goode. GFT now owns all of the shares in the former Singaporean subsidiary (ISIO) and thus control of ISIO's Indian Subsidiary (NSL MRI) for:
   a. $1 and agreement to pay the outstanding balance owed to Huate for the WIHMS and LIMS that were bought for the Indian P3 expansion, and
   b. Using best endeavours to secure of the WHIMS and LIMS for Elmore's future use.

5. INCOME TAX

	2020 $	2019 $
The major components of income tax are:		
Statement of profit or loss and other comprehensive income		
Current income tax	-	-
Deferred income tax	-	-
Income tax expense/(benefit) reported in the statement of profit or loss and other comprehensive income	-	-
(a) Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax expense	(2,429,915)	(2,709,798)
Tax at the Australian tax rate of 27.5% (2019: 27.5%)	**(728,975)**	**(812,939)**

5. INCOME TAX (continued)

	2020 $	2019 $
Tax effect of amounts that are not deductible /(taxable) in calculating taxable income:		
Others	(184,192)	28,422
Tax losses and timing differences not brought to account	(544,783)	(760,013)
Foreign tax rate differential	-	24,504
Income tax expense /(benefit)	**-**	**-**
(b) Tax losses		
Unused tax losses for which no deferred tax assets has been recognised	33,581,398	31,827,176
Potential tax benefit at 27.5%	9,234,884	9,548,153
(c) Unrecognised temporary differences		
Deferred tax assets and liabilities not recognised relate to the following:		
Deferred tax assets		
Tax losses	9,234,884	9,548,153
Other temporary differences	310,782	222,458
Deferred tax liabilities		
Other temporary differences (Interest income on inter-entity loans in foreign jurisdiction)	-	(308,696)
Net deferred tax assets not recognised	**9,545,666**	**9,461,915**

The deferred tax assets arising from these balances have not been recognised as an asset because recovery of tax losses is not probable at this point in time.

The potential tax benefit will only be obtained if the relevant Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised; and

(i) the relevant Company continues to comply with the conditions for deductibility imposed by the law; and
(ii) into changes in tax legislation adversely affect the relevant Company in realising the benefit.

6. CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	**9,250**	**55,463**

The Groups exposure to interest rate risk is disclosed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying value amount of cash and cash equivalents above.

7. TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Current		
Trade receivables	605,000	-
Accrued revenue (1)	251,416	-
Other receivables and prepayments (2)	81,232	340,716
	937,648	**340,716**
Non-current		
Security deposits	50,772	34,918
	50,772	**34,918**

The Groups exposure to credit risk is disclosed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying value of other receivables and prepayments above.

Ageing of trade receivables past due have not been impaired. All trade receivables outstanding at year end where received post year end.

(1) Accrued revenue relates to revenue earned in June and invoiced in July.
(2) Other receivables generally arise from transactions outside the usual operating activities of the entity. The current balance primarily represents the receivables relating to prepaid insurances and other debtors.

8. RIGHT TO USE ASSETS

The Group's lease portfolio includes buildings, plant and equipment. These leases have an average of 12 months as their lease term.

i) **AASB 16 related amounts recognised in the statement of financial position**

Right of use assets

	2020 $
Leased building	66,969
Accumulated depreciation	(33,484)
	33,484
Leased plant and equipment	997,923
Accumulated depreciation	(616,517)
	381,405
Total Right of use asset	**414,890**

8. RIGHT TO USE ASSETS (continued)

ii) AASB 16 related amounts recognised in the statement of profit and loss.

	2020 $
Depreciation charge related to right-of-use assets	650,002
Interest expense on lease liabilities	42,138
Short-term leases expense	-
Low value asset leases expense	-
Variable lease payment expense	-

	2020 $
Total cash outflows for leases	636,123

9. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment $	Furniture and fixtures $	Computer equipment $	Land $	Buildings $	Total $
Year ended 30 June 2019						
Opening net book amount	2,781,243	15,863	7,777	120,002	47,398	2,972,283
Additions	4,318,877	12,950	4,920	-	-	4,336,747
Disposal/Written-off	(5,540,308)	(15,863)	(7,777)	(120,002)	(47,398)	(5,731,348)
Depreciation charge	(48,797)	(382)	(999)	-	-	(50,178)
Exchange differences	-	-	-	-	-	-
Closing net book amount	**1,511,015**	**12,568**	**3,921**	**-**	**-**	**1,527,504**
At 30 June 2019						
Cost or fair value	1,511,722	12,950	4,920	-	-	1,529,592
Accumulated depreciation	(707)	(382)	(999)	-	-	(2,088)
Net book amount	**1,511,015**	**12,568**	**3,921**	**-**	**-**	**1,527,504**

9. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and equipment $	Furniture and fixtures $	Computer equipment $	Total $
Year ended 30 June 2020				
Opening net book amount	1,511,015	12,568	3,921	1,527,504
Additions	83,466	-	4,112	87,578
Disposal/Written-off	-	-	-	-
Depreciation charge	(20,385)	(5,098)	(2,134)	(27,617)
Exchange differences	-	-	-	-
Closing net book amount	**1,574,096**	**7,470**	**5,899**	**1,587,465**
At 30 June 2020				
Cost or fair value	1,595,188	12,950	9,032	1,617,170
Accumulated depreciation	(21,092)	(5,480)	(3,133)	(29,705)
Net book amount	**1,574,096**	**7,470**	**5,899**	**1,587,465**

Aggregate depreciation allocated during the year is recognised as an expense and disclosed in Note 4 to the financial statements.

Some items of plant and equipment are secured against borrowings of $628,268, as disclosed in note 14.

During the prior financial year, the Company entered into an agreement to divest its Indian subsidiary, NSL India MRI, including the P1, P2 and P3 plant and equipment, to Benita Industries in exchange for Benita taking over all financial liabilities. As a consequence the directors have determined that due to the decision to discontinue the operations in India, that all assets associated with the projects in the subsidiary should be impaired.

10. OTHER FINANCIAL ASSETS

	2020 $	2019 $
Non-Current		
Unlisted shares in other corporations	6,282	-
	6,282	**-**

During the year the Company executed an agreement with Coal Hub /Subiaco Capital to settle the outstanding costs order, for 6,282 shares of an unlisted Australian rare earther company (New Age Resources Pty Ltd). The investment is recognised at fair value through profit or loss.

11. TRADE AND OTHER PAYABLES

	2020 $	2019 $
Current		
Trade payables	889,959	266,866
Premium funding	21,208	-
Other payables	313,437	25,520
	1,224,604	**292,386**

Trade and other payables are non-interest bearing and generally settled on 7-30 day term. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

Other payables represent salary and wages on costs, fringe benefits tax, payroll tax, insurance premium funding and accruals.

12. EMPLOYEE PROVISIONS

	2020 $	2019 $
Current		
Annual leave	26,784	63,517
Long Service Leave	40,908	40,908
	67,692	**104,425**
Non-Current		
Long Service Leave	-	-
	-	**-**

The current portion for this provision includes the total amount for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

13. DEFERRED TAX LIABILITIES

	2020 $	2019 $
Non-Current		
Deferred tax liabilities	**-**	**382,022**

The deferred tax liability was associated with IS Iron Ore Pte Ltd, a 100% wholly owned subsidiary, which was disposed during the year. Refer to note 24.

13. DEFERRED TAX LIABILITIES (continued)

The balance comprises temporary differences attributable to:	2020 $	2019 $
Interest receivable	-	382,022
Total deferred tax liabilities	**-**	**382,022**

Movements	Interest Receivable	Total
As at 1 July 2018	347,420	347,420
Charged/(credited)		
- to profit or loss	-	-
- to other comprehensive income	-	-
- exchange differences	34,602	34,602
As at 30 June 2019	**382,022**	**382,022**
As at 1 July 2019		
Charged/(credited)		
- to profit or loss	(347,420)	(347,420)
- to other comprehensive income		
- exchange differences	(34,602)	(34,602)
As at 30 June 2020	**-**	**-**

14. BORROWINGS

Non-Current	2020 $	2019 $
Borrowings – convertible note (1)	567,808	-
Borrowings – equipment finance	60,460	
Borrowings – other (2), (3) & (4)	200,212	-
	828,480	**-**

(1) During the year ended 30 June 2020, the Company issued a secured convertible note for $500,000.

The key terms of the Convertible Note are:

- Elmore will pay a coupon rate of 20% p.a. Interest is payable with principal on maturity of the Note. Original maturity date was 18 March 2020. If interest rate becomes 30% on all outstanding sums owed if the issuer is late repaying the Note. Interest has been charged at 30% since 20 March 2020.
- The note will be redeemed in full no later than 90 days after subscription, unless otherwise mutually agreed.
- The method of payment of each tranche is at the discretion of the issuer and will be up to either:
    - $500,000, plus interest in cash
    - A variable number of shares equal to $500,000 where the Share value is calculated at the lowest of AU$0.02 or 25% discount to the share price of any equity raise undertaken prior to the Maturity Date. Conversion is at the discretion of the Noteholder.
- The note is secured by a General Security Agreement (GSA) granting fixed and floating security over all major plant items not secured under equipment finance agreements or leases.

Subsequent to the period, the Company and Twynam Investments Pty Ltd have entered into an agreement to extend the maturity date of the convertible note and accrued interest to 31 March 2021.

14. BORROWINGS (continued)

(2) During the year ended 30 June 2020, the Company entered into an unsecured loan agreement with J.E.D. International Pty Ltd.

The key terms of the loan agreement are:
- Commencement date: 20 March 2020
- Principle sum: $75,000
- Interest rate: 3.5% per month
- Fixed term: 20 June 2020, with a subsequent extension to 31 March 2021

(3) During the year ended 30 June 2020, the Company entered into an unsecured loan agreement with OMT Investments Pty Ltd.

The key terms of the loan agreement are:
- Commencement date: 24 March 2020
- Principle sum: $100,000
- Interest rate: 3.5% per month
- Fixed term: 24 June 2020, with a subsequent extension to 31 March 2021

(4) During the year ended 30 June 2020, the Company entered into an unsecured loan agreement with SA & J Boyle.

The key terms of the loan agreement are:
- Commencement date: 5 March 2020
- Principle sum: $20,000
- Interest rate: 12.0% per month
- Fixed term: 5 September 2020, with a subsequent extension to 31 March 2021.

15. LEASE LIABILITIES

	2020 $	2019 $
Current		
Lease liabilities	470,906	-
	470,906	**-**

16. CONTRIBUTED EQUITY

	2020 No.	2019 No.
Share capital		
Fully paid ordinary share capital	307,129,182	279,004,182
	307,129,182	**279,004,182**

16. CONTRIBUTED EQUITY (continued)

Movements in ordinary share capital:

Details	2020 Number of shares	Issue price	2020 $
Opening balance	279,004,182		74,360,275
Issue of Shares – issued at $0.04 (1)	28,125,000	$0.04	1,125,000
Balance as at 30 June 2020	**307,129,182**		**75,485,275**
Less equity raising cost for the period	-		-
Balance as at 30 June 2020	**307,129,182**		**75,485,275**

(1) The company raised $1.125 million for 28,125,000 shares under existing approval to existing significant shareholders.

Details	2019 Number of shares	Issue price	2019 $
Opening balance	3,388,170,381		72,244,336
Consolidation of shares	(3,162,291,199)		-
Issue of Shares – issued at $0.04 (1)	28,125,000	$0.04	1,125,000
Issue of Shares – issued at $0.04 (1)	25,000,000	$0.04	1,000,000
Balance as at 30 June 2019	**279,004,182**		**74,369,336**
Less equity raising cost for the period	-		(9,061)
Balance as at 30 June 2019	**279,004,182**		**74,360,275**

(1) The company raised $2.125 million for 53,125,000 shares under existing approval to existing significant shareholders.

Ordinary shares
Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

Capital Risk Management
The Group considers its capital to comprise its ordinary share capital, share premium and accumulated losses.

The Group's objective when managing capital is to safeguard the ability to continue as a going concern and to provide returns for shareholders and benefits for other stakeholders and to maintain capital structure to reduce the cost of capital.

The Board of Directors monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios as the Group has not derived any income from operations and there are no debt facilities in place with such covenants.

16. CONTRIBUTED EQUITY (continued)

Options Reserve

	2020 $	2019 $
Options reserve	**506,007**	**506,007**
Movement:		
Balance at beginning of the financial year	-	-
Fair value options expense	-	-
Balance at the end of the financial year	**506,007**	**506,007**

The options reserve records items recognised as expenses on valuation of option based payments.

17. OTHER RESERVES

	2020 $	2019 $
Foreign currency translation reserve	-	(34,602)
Share based payment reserve	2,709,165	2,703,708
	2,709,165	**2,669,106**
Movement:		
Foreign Currency Translation Reserve		
Balance at beginning of the financial year	(34,602)	(2,890,692)
Translation of foreign operations – recycled to profit or loss following loss of subsidiary	34,602	2,856,090
Balance at the end of the financial year	**-**	**(34,602)**
Share Based Payment Reserve		
Balance at beginning of the financial year	2,703,708	2,703,708
Fair value option expense	5,457	-
Balance at the end of the financial year	**2,709,165**	**2,703,708**

Foreign Currency Translation Reserve
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity.

The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share Based Payment Reserve
The share-based payment reserve records items recognised as expenses on valuation of employee and consultant share options.

18. ACCUMULATED LOSSES

	2020 $	2019 $
Balance at beginning of the financial year	(76,355,620)	(60,589,903)
Loss after related income tax	(1,930,202)	(15,765,717)
Balance at the end of the financial year	**(78,285,822)**	**(76,355,620)**

19. DIVIDENDS

No dividends have been declared or paid during the period.

20. AUDITORS' REMUNERATION

	2020 $	2019 $
Amounts paid/payable for audit and for review of the financial statements for the entity or any entity in the Group		
- BDO Audit (WA) Pty Ltd	39,000	39,000
Total auditor's remuneration	**39,000**	**39,000**

21. CONTINGENCIES

Sean Freeman Matter

The trial of the employment dispute between Sean Freeman and Elmore Ltd was heard by the Federal Circuit Court on Friday 16 October 2020.

The company was successful at trial and that Mr Freeman's case was dismissed in its entirety. Due to the forum in which the trial was held, no order was made for costs of either party.

Biggs Matter

In the prior year, the Company commenced proceedings in the Supreme Court of Western Australia against Mr Biggs, in relation to the Independent Geologist Report which the Company commissioned him to prepare as part of its due diligence on applications for exploration permits for coal tenements in Queensland.

The Company is also claiming damages against Mr Biggs for negligence and misleading or deceptive conduct in the making of a number of representations in his report. Mr Biggs has filed a defence denying those allegations.

Subsequent to the year-end, Elmore has settled the Biggs matter for an anticipated cash settlement of $50,000 to be paid by Mr Biggs by 30 June 2020. In July 2020 the Company entered into a Deed of Settlement with Mr Briggs to repay the settlement amount of 5 equal instalments beginning July 2020. At the time release of this report, Mr Biggs has paid all of the instalments.

Gold Valley Iron Pty Ltd Matter

The key terms of the plant purchase agreement and processing agreement are included in the announcement of 31 May 2019 and include several conditions precedent that must be met before the final payment of $1,000,000 + GST becomes payable to GVI. These conditions precedent were to be met to Elmore's satisfaction prior to 28 October 2019. GVI was not able to demonstrate to Elmore that they have been able to satisfy all of the conditions precedent and as such, the Company has not made the final payment.

GVI has issued a writ against Elmore seeking payment of the $1million final payment. Subsequently, the action was suspended indefinitely after GVI was placed into external administration. A Deed has been agreed by the Receivers and the Liquidators, in which it is confirmed that the $1 million final payment will not be sought from Elmore Ltd. This Deed is agreed, but unsigned and hence included as a contingent liability.

22. COMMITMENTS

a) Capital commitments

There was no capital expenditure contracted for at the reporting date but not recognised as liabilities.

b) Operating lease commitments

	2020 $	2019 $
Within one year	-	49,280
Later than one year but not later than five years	-	49,280
Total minimum lease payment	**-**	**98,560**

The operating lease commitments relates to the corporate office.

23. RELATED PARTY TRANSACTIONS

Related Party Information

(a) Parent Entity

The parent entity within the Group is Elmore Limited.

(b) Subsidiaries

Interest in subsidiaries is set out in Note 21.

(c) Key management personnel compensation

	2020 $	2019 $
Short-term employee benefits	427,748	1,083,126
Post-employment benefits	28,302	66,551
Share-based payments	5,457	-
	461,507	**1,149,677**

Further information regarding the identity of key management personnel and their compensation can be found in the Remuneration Report – Audited contained in the Directors' Report which forms part of this Annual Report.

23. RELATED PARTY TRANSACTIONS (continued)

(d) Transactions with other related parties during the period

There were no loans provided to key management personnel during the year.

From September 2019, Mr Mendelawitz rented accommodation in Pine Creek for the use of staff and contractors while working on the Francis Creek and Peko sites. Mr Mendelawitz did not use the site himself. The accommodation was rented from an unrelated third party and the amount of rent and expenses related to this equated to $12,105, which is an arm's length amount. The Company paid for this on Mr Mendelawitz's behalf.

There were no other transactions with related parties during the period other than disclosed above.

24. SUBSIDIARIES

Entity	Country of Incorporation	2020 %	2019 %
I-S Iron Ore Pte Ltd (1)	Singapore	-	100%
NSL Coal Pty Ltd	Australia	100%	100%

Material activities undertaken by subsidiaries:

(1) During the year the Company entered into an agreement to divest its Singaporean subsidiary, I-S Iron Ore Pte Ltd. After the failure of Benita Industries to meet agreed conditions, an agreement was made on materially similar terms with the Goode Family Trust (GFT), controlled by former CEO/Managing Director, Cedric Goode. GFT now owns all of the shares in the former Singaporean subsidiary (ISIO) and thus control of ISIO's Indian Subsidiary (NSL MRI) for:

a. $1 and agreement to pay the outstanding balance owed to Huate for the WIHMS and LIMS that were bought for the Indian P3 expansion, and
b. Using best endeavours to secure of the WHIMS and LIMS for Elmore's future use.

25. DISCONTINUED OPERATIONS

a) Description

As a consequence of the drilling program in its Indian operations completed by the Company, and the resulting results which did not intersect any mineralisation of adequate grade or thickness to justify mining on any of the project areas. The company immediately cancelled the P3 project and began the process of dismantling the process plant and site equipment, reducing staff numbers and remediating the sites.

In April 2019 the Company entered into an agreement to divest its Indian subsidiary, NSL Mining Resources India (Pvt), including the P1 and P2 plant and equipment, to Benita Industries in exchange for Benita taking over all financial liabilities and is reported in the current period as a discontinued operation.

During this process, the NSL MRI India office in Hyderabad closed and as part of this closure, the finance and administrative employees did a full handover of all books and records to Benita.

As a result of this handover, the current Directors of the Company lost physical control over the financial records, and currently there are no electronic records available to the Directors. The Directors have not been able to source books and records of NSL MRI India up to the date of this report. Ownership of the subsidiary's financial records were transferred to the Benita on the effectuation of the divestment arrangement.

25. DISCONTINUED OPERATIONS (continued)

As a consequence, the current Directors have assessed that the Company has lost control of the entity at 30 June 2019, despite the fact that the agreement with Benita was not settled due to Benita Industries failing to meet the agreed terms. The Singapore subsidiary, and as a result the Indian subsidiary were disposed of in March 2020.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

b) Financial performance and cashflow information

	2019 $
Other income	8,171
Expenses	(113,031)
Impairment (1)	(10,163,967)
Loss before income tax	**(10,268,827)**
Income tax expense	-
Loss after income tax of discontinued operation	**(10,268,827)**
Loss on deconsolidation of the subsidiary after income tax (see (c) below)	(2,787,092)
Total Loss from discontinued operation	**(13,055,919)**
Net cash outflow from operating activities	(1,600,082)
Net cash outflow from investing activities	(4,448,676)
Net cash outflow from financing activities	-
Net cash outflows from discontinued operation	**(6,048,758)**

c) Details of the deconsolidation of the subsidiary

	2019 $
Consideration received or receivable:	
Cash	-
Fair value of contingent consideration	-
Total disposal consideration	-
Carrying amount of assets/(liabilities) sold	(68,998)
Gain on deconsolidation before income tax and reclassification of foreign currency translation reserve	**68,998**
Reclassification of foreign currency translation reserve	(2,856,090)
Income tax expense	-
Loss on deconsolidation of after income tax	**(2,787,092)**

25. DISCONTINUED OPERATIONS (continued)

The carrying amounts of assets and liabilities as at the date of deconsolidation (30 June 2019) were:

	2019 $
Cash	-
Property, plant and equipment (1)	-
Mine development (1)	-
Trade receivables and prepayments (1)	-
Other financial assets (1)	-
Total assets	**-**
Trade creditors	(40,076)
Employee benefit obligations	(28,922)
Total liabilities	**(68,998)**
Net assets	**(68,998)**

(1) During the year the Company entered into an agreement to divest its Indian subsidiary, NSL India MRI, including the P1 and P2 plant and equipment, to Benita Industries in exchange for Benita taking over all financial liabilities. As a consequence the directors have determined that due to the decision to discontinue the operations in India, that all assets associated with the projects in the subsidiary should be impaired. Due to the material uncertainty as to the ability for the Company to gain access to the Ball Mills being stored in China, the Company has impaired those assets also. The Company is continuing to seek redress in this matter.

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Frances Creek

The six-month equipment hire contract with Trendsheer was completed on 30 September 2020.

Elmore determined Trendsheer's final equipment "make good" payment in early October and then signed a land Access Agreement, which allows the Company to relocate the mobile and fixed crushing and screening plant (FCFP) from Frances Creek.

Trendsheer finalised all outstanding payments in early October, which totalled more than $980k.

With the Access Agreement signed, work was undertaken to dismantle the FCFP and relocate it to Darwin. Where it can be worked on and stored, whilst determining the next location for it to be deployed. The plant is now fully relocated safely to Darwin.

The Company has started the process of converting the FCFP components into a 4-5Mtpa moveable crushing and screening plant, utilising the Company's proprietary modularly foundations.

Sean Freeman matter

The trial of the employment dispute between Sean Freeman and Elmore Ltd was heard by the Federal Circuit Court on Friday 16 October 2020.

The company was successful at trial and that Mr Freeman's case was dismissed in its entirety. Due to the forum in which the trial was held, no order was made for costs of either party.

Other than disclosed elsewhere in the annual report, there were no significant changes in the State of Affairs of the Company.

27. CASH FLOW INFORMATION

(a) Reconciliation of loss after income tax to net cash flow from operating activities

	2020 $	2019 $
Operating loss after tax	(1,930,202)	(15,765,717)
Adjustment for;		
Depreciation and amortisation	677,619	2,088
Currency Gain/Loss		-
Equity-settled share based payments	5,457	-
Right to use asset interest	42,138	-
Impairment of Indian assets	-	10,268,827
(Gain) /Loss on sale of subsidiary	(379,014)	2,787,092
Reclassification of foreign currency reserve	(34,602)	(2,856,090)
Changes in assets / liabilities		
- (increase) /decrease in other receivables	(446,932)	721,947
- increase /(decrease) for provision in deferred tax liability	(382,022)	34,602
- (decrease) /increase in provisions	(36,733)	(386,924)
- (increase) in other financial assets	(6,282)	-
- increase in accrued interest	152,571	-
- (decrease) /increase in trade and other payables	1,012,335	(1,577,429)
Net cash flow used in operating activities	**1,325,448**	**(6,771,604)**

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during the year.

28. LOSS PER SHARE

Basic loss per share

	2020 ¢	2019 ¢
Continuing operations	(0.70)	(1.17)
Total continuing and discontinued operation	(0.70)	(6.79)

Diluted loss per share not disclosed as it does not increase loss per share.

Loss for the year attributable to the ordinary equity holders of the Company used in calculating basic loss per share

	2020 $	2019 $
Loss from continuing operation for the year	**(1,930,202)**	**(2,709,798)**
Loss from total continuing and discontinued operation for the year	**(1,930,202)**	**(15,765,717)**

28. LOSS PER SHARE (continued)

Weighted average number of shares used as the denominator

	2020 Number	2019 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	303,815,826	232,154,867

29. SHARE-BASED PAYMENTS

Set out below are summaries of options granted:

Grant date	Expiry date	Exercise price $	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number *	Forfeited / lapsed during the year Number	Vested and Exercisable at end of year Number	Not Vested and Exercisable at end of year Number
2020								
28/06/2018	28/06/2021	$0.2091	333,334	-	-	-	333,334	-
15/02/2021	15/02/2024	$0.08	-	2,000,000	-	-	-	2,000,000
Total			**333,334**	**2,000,000**	**-**	**-**	**333,334**	**2,000,000**
Weighted average exercise price			$0.2091	-	-	-	$0.2091	$0.08

Grant date	Expiry date	Exercise price $	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number *	Forfeited / lapsed during the year Number	Consolidation of shares	Vested and Exercisable at end of year Number
2019								
28/06/2018	28/06/2021	$0.2091	5,000,000	-	-	-	(4,666,666)	333,334
14/08/2015	14/08/2018	$0.03	10,000,000	-	-	(10,000,000)		-
Total			**-**	**-**	**-**	**(10,000,000)**	**(4,666,666)**	**333,334**
Weighted average exercise price			$0.165	-	-	$0.03	$0.014	$0.2091

Weighted average contractual life of share options outstanding at the end of the period was 1 year (2019: 2 years).

Share-based payments recognised during the financial year:	2020 $	2019 $
ESOP options issued – senior management option fair value expense	5,457	-
Shares issued as consideration for brokerage on capital raise	-	-
TOTAL	**5,457**	**-**

29. SHARE-BASED PAYMENTS (continued)

On 15 October 2018 the Company entered into a service agreement with the new Managing Director, Mr Mendelawitz. The agreement states that he will receive a salary of $325,000 (plus superannuation) per annum, reviewed annually.

At the General Meeting held on 5 July 2019, the shareholders of the Company voted to award Mr Mendelawitz up to 47,000,000 production incentive shares, short term incentive shares and long term incentive shares. Mr Mendelawitz's entitlement to the production incentive shares was subject to the Company commissioning a process plant being completed on time and on budget within 5 years of shareholder approval.

Due to the change of business focus above, the incentive shares have not been issued. As a result no amount has been expensed in the 2020 financial year. It is expected that a new incentive plan will be put to shareholders at the next AGM.

On 29 May 2020 the Company entered into a service agreement with the new non-executive director, Mr Tim Webster.

Mr Webster's service agreement includes the provision of 2,000,000 director options, with an exercise price equal to 200% of the 5-day VWAP prior to the grant date or 200% of the price at which equity is raised. The options have a 3 year from issue exercise date with no vesting conditions. Mr Webster's entitlement to the director options is subject to approval at the next Extraordinary General Meeting or Annual General Meeting. If Mr Webster resigns as a Director of the Company before they are approved at a General Meeting he will not be entitled to receive the options. At the time of publishing the annual report, the Company had not held either meetings, and the options have not been issued.

The director options are subject to shareholder approval, and so cannot be issued.

The options have been valued at 29 May 2020 at $43,493 using the Black-Scholes option pricing model as the fair value of the services received can't be reliably measured using another method. The Black Scholes inputs and valuations were as follows:

Options	
Number of options	2,000,000
Valuation date	29 May 2020
Underlying spot price AUD $	$0.04
Exercise price AUD $	$0.08
Expected volatility	100%
Implied option life	3 years from issue date
Expected dividend yield	Nil
Risk free rate	0.26%
Valuation per option AUD $	$0.0218

The value has been expensed over the period from 29 May 2020 to the expected date of the General Meeting in which the options are expected to be approved. As a result a share based payment expense of $5,457 in relation to the options to be issued has been recognised in the 2020 financial year.

30. PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of Financial Position	2020 $	2019 $
Current assets	1,361,788	424,388
Total Assets	3,006,307	1,951,891
Current Liabilities	2,591,682	(375,959)
Total Liabilities	2,591,682	(375,959)
Shareholders' Equity		
Share Capital	75,991,282	74,866,282
Reserves	2,709,165	2,703,708
Accumulated losses	(78,285,822)	(76,355,620)
Loss for the year	(1,930,202)	(2,679,968)

DIRECTORS' DECLARATION

In the directors' opinion:

a) The financial statements and notes set out on page 26 to 60, are in accordance with the Corporations Act 2001, including:

   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of their performance for the financial year ended on that date;

b) Subject to the matters highlighted in Note 1 (b), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

David Mendelawitz
Managing Director
Elmore Limited
Dated 11 December 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Elmore Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Elmore Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 (b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition

Key audit matter	*How the matter was addressed in our audit*
The Group recognises revenue in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15). There are complexities and judgements associated with interpreting key revenue contracts entered into by the Group against the requirements of the accounting standard. This area is a key audit matter due to: • the significance of revenue to the financial report; and • revenue being one of the key drivers to the Group's performance.	Our audit procedures included but were no limited to the following: • Obtaining and reviewing contracts, considering the terms and conditions, performance obligations of these arrangements and assessing the accounting treatment under AASB 15 *Revenue from Contract with Customers*; • Agreeing the amounts of revenue transactions recorded by the Group to supporting documentation to confirm the existence and accuracy of the revenue recognised and to consider whether the transaction was recorded in the correct period; and • Assessing the adequacy of the relevant disclosures in Note 1 (t), and Note 4 within the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 17 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Elmore Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 11 December 2020

ASX ADDITIONAL INFORMATION

The securities exchange information set out below was applicable as at 10 December 2020.

Distribution of Holders of Equity Securities

Distribution of Holders of Equity Securities	Ordinary Shares	Unlisted Options
1 to 1,000	621	-
1,001 to 5,000	678	-
5,001 to 10,000	413	-
10,001 to 100,000	802	-
100,001 and over	272	1
	2,786	**1**

Twenty Largest Holders of Quoted Equity Securities

Distribution of Holders of Equity Securities	Ordinary Shares	Percentage
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	103,218,699	33.61%
TWYNAM INVESTMENTS PTY LTD	31,715,058	10.33%
CRAZY DIAMOND PTY LTD	9,000,000	2.93%
GA WOOD HOLDINGS PTY LTD	5,400,000	1.76%
AH SUPER PTY LTD	4,294,615	1.40%
MR PETER IAN RICHARDS	4,184,963	1.36%
CITICORP NOMINEES PTY LIMITED	4,112,531	1.34%
FIORI PTY LTD	3,928,529	1.28%
TW CONSTRUCTION SERVICES PTY LTD	3,220,000	1.05%
MR VAROOJH SOOKIAS	3,000,002	0.98%
MR TIMOTHY CHARLES WEBSTER & MRS WENDY KAREN WEBSTER	3,000,000	0.98%
MR PETER ALEXANDER LINFORD	2,791,233	0.91%
MR SEAN MICHAEL FREEMAN	2,542,160	0.83%
MRS WENDY KAREN WEBSTER	2,305,006	0.75%
MULROY HOLDINGS PTY LTD	2,186,667	0.71%
CEDRIC FRASER GOODE & KYLIE NICOLE MANN	2,170,741	0.71%
GLOBAL MINORE PTE LTD	2,047,612	0.67%
MR ALEX ELBERG	2,000,065	0.65%
G A WOOD PTY LTD	1,833,334	0.60%
HEATH BERNARD MCCARTNEY	1,682,000	0.55%
Total	**194,633,215**	**63.37%**
Total issued capital - selected security class(es)	**307,129,182**	**100.00%**

ASX ADDITIONAL INFORMATION (Continued)

Substantial Shareholding

As at 10 December 2020, the substantial holders of the Company's share capital where:

Holders of Equity Securities	Ordinary Shares	Percentage
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	103,218,699	33.61%
TWYNAM INVESTMENTS PTY LTD	31,715,058	10.33%

Number of Holders of Equity Securities

Ordinary Share Capital
There are 307,129,182 fully paid ordinary shares on issue, held by 2,786 individual shareholders. Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

Options/rights over Unissued Ordinary Share Capital
There are no listed options on issue. Listed options do not carry a right to vote.

There are 333,334 unlisted options on issue, held by 1 individual holder. Unlisted options do not carry a right to vote.