



ASX: ELE

QUARTERLY ACTIVITIES REPORT

31 December 2020

Elmore Limited (the "Company" or "Elmore") (ASX: ELE) is pleased to provide its quarterly activities report for the period ended 31 December 2020.

OPERATIONS

Peko Tailings Project

Elmore has a service contract with ICA in which the Company will provide a range of consulting services, including design, procurement and construction management of a magnetite processing plant to be owned by ICA Mining.

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.

Design and procurement of the Peko magnetite process plant in Tenant Creek, Northern Territory for ICA Mining has been completed to a level that construction can commence.

Equipment procured for the plant is progressively arriving or completing refurbishment, and Elmore is awaiting approvals and site access to begin. Construction completion, commissioning and first ore is still on schedule within H1, 2021.

Mobile Plant - Industrial Sands and Aggregate Project

During the quarter, Elmore has mobilised the Company's 2 MTPA mobile crushing and screening plant to an industrial sands project within the outer suburbs of Darwin, Northern Territory.

The plant has been crushing re-cycled concrete and other material for the purpose of generating both industrial sands and aggregates, and to re-habilitate the site.

The length of the project is not yet established, as both the final products and, more importantly, the performance of screening sands during the current heavy wet season is currently being determined by Elmore.

The plant hired basis is \$50,000 per week plus all operating costs, with the assessment period being a contra against transportation and storage charges accrued by the owner of the project after they assisted Elmore with transportation of the large processing plant owned by Elmore from Frances Creek to Darwin and Perth.

ELMORE



Elmore mobile crushing and screening plant operating near Darwin

Territory Minerals Trading Projects

During the quarter, Elmore executed a contract with Territory Minerals Trading Ltd ("Territory") to process gold and antimony ore from Territory's suite of gold and antimony projects in the Hodgkinson Basin, far north Queensland.

The projects are located in two main regions:

- Tregoora Project is centred 130 km north west from Cairns and 100 km west-northwest from Mareeba and covers approximately 305 square kilometres.
- Northcote Project is centred 25 km west of Mareeba, 100 km west from Cairns and approximately 80km south of the Tregoora Project. The tenements cover approximately 203 square kilometres and more than 40 strike kilometres of mineralised structures have been found to exist within the Northcote Project region.

The process flow will include:



2 stage Crushing – Grinding – Gravity Separation – Flotation – Leaching of concentrates

The key terms of the announcement were disclosed to the market in the announcement of 18 January 2021.

Target commencement of production is H1 2022.

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.

Elmore is continuing to progress finalising milestones to enable the Company to request that the ASX re-instate trading of the Company's shares. The ASX has set a deadline of March 11th, 2021 for Elmore to have completed the work required to satisfy the ASX that the Elmore meets the listing requirements.

To satisfy the requirements of the ASX, amongst other items, the major requirements will include raising additional capital and issuing a full form prospectus.

The Company is finalising the amount of funds required and the terms of the raise.

Information required by Listing Rule 5.3.5

During the quarter, the Company made the following payments to the related parties and their associates in item 6 of the Appendix 5B totalling \$88,968. This relates to salary and wages of the directors of \$81,249 and superannuation paid of \$7,719.

-ENDS-

For more information:

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Elmore Limited

ABN

32 057 140 922

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,302	2,526
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	(605)	(923)
	(d) staff costs	(429)	(823)
	(e) administration and corporate costs	(110)	(486)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	-	(22)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	7	37
1.8	Other (provide details if material)	20	40
1.9	Net cash from / (used in) operating activities	186	351

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(272)	(272)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	(24)	(24)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(296)	(296)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(24)	(40)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(24)	(40)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	155	6
4.2	Net cash from / (used in) operating activities (item 1.9 above)	186	351
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(296)	(296)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(24)	(40)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	21	21

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	21	155
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	21	155

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	186
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	186
8.4	Cash and cash equivalents at quarter end (Item 4.6)	21
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	21
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	-
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The Company expects to receive positive cash flows from operating activities over the next quarter	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The Company will issue a notice of meeting soon which will seek to raise funds over the next quarter.	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: The Company expects to continue its operations and become cash flow positive over the next quarter.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2020.....

Authorised by: By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.