

# ELMORE

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## Prospectus

### Elmore Ltd

ACN 057 140 922

For a public offer of a minimum of 125,000,000\* up to a maximum of 250,000,000\* Shares at an issue price of \$0.02 per Share to raise a minimum of \$2,500,000 and a maximum of \$5,000,000 (before associated costs) (Public Offer).

\*While the minimum shares offered under the public offer is 125,000,000 and the maximum is 250,000,000, the Company has received funds already advanced under the Polaris Note and will be paying accrued interest on the convertible note with shares in the Company. (refer to page v and section 2.3).

The Public Offer will open on 2 March 2021 (**Opening Date**) and close at 5.00pm (AWST) on 9 March 2021 (**Closing Date**). The Directors reserve the right to close the Public Offer earlier or to extend the Closing Date without notice. Applications must be received before the Closing Date (as set from time to time).

This Public Offer is not underwritten.

*This Prospectus is an important document and should be read in its entirety. Please consult your professional adviser(s) if you have any questions about the information within this Prospectus.*

*The Shares offered pursuant to this Prospectus should be considered as **speculative**.*



ASX Code: ELE

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## IMPORTANT INFORMATION

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### Prospectus

This Prospectus is dated, and was lodged with ASIC on, 23 February 2021. Application will be made to ASX within 7 days of the date of this Prospectus for Official Quotation of the Shares the subject of the Public Offer.

Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm AWST on 9 March 2021 which is 2 weeks after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

No person is authorised to give any information or to make any representation in connection with the Public Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Public Offer.

It is important that you read this Prospectus in its entirety and seek independent professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

### Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

### Conditional Offer

The Offer contained in this Prospectus is conditional on certain events occurring. If these events do not occur, the Offer will not proceed, and investors will be refunded their Application Monies without interest. Refer to Section 1.4 for further details on the conditions attaching to the Public Offer.

### Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Company's website at [www.elmoreltd.com.au](http://www.elmoreltd.com.au).

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office by contacting the Company as detailed in the Corporate Directory.

The Public Offer in electronic form is only available to persons receiving an electronic version of this Prospectus together with the relevant Application Form within Australia. Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus.

The Corporations Act prohibits any person from passing on to another person any Application Form unless it is

accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Public Offer should complete the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

No document or information included on the Company's website is incorporated by reference into this Prospectus.

### Offer outside Australia

No action has been taken to register or qualify the Shares, or the Public Offer, or otherwise to permit the offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek professional advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

### Speculative Investment

The Shares offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the Shares offered pursuant to this Prospectus will result in a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their own personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Shares.

### Using this Prospectus

Prospective investors wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares.

If a prospective investor, considering subscribing for Shares, has any questions they should consult their independent stockbroker, solicitor, accountant or other professional adviser for advice.

### Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and/or the Directors of the Company.

Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and prospective investors are cautioned not to place undue reliance on these forward-looking statements.

#### **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

#### **Privacy**

If a potential investor applies for Shares that investor will provide personal information to the Company, its advisors and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to access your Application, service the investor's needs as an investor, provide facilities and services that the investor requests and carry out appropriate administration tasks. If an investor does not provide the information requested, the investor's Application may not be able to be processed efficiently, or at all.

If a potential investors information is not correct or changes, the investor is to contact the Share Registry or the Company to provide the correct/updated information.

The Corporation Act requires the Company to include information about its Shareholders (former and current) in its public Share Register, including name, address and details of the Shares held. The information within the public Share Register is accessible to members of the general public.

By submitting an Application, each Applicant consents to the Company using the information therein for the purposes set out in this Prospectus and the Company may disclose the information for those purposes to the Share Registry, the Company's related body corporates, agents, contractors, and third party service providers, including mailing houses and professional advisers, ASX and regulatory authorities.

#### **Miscellaneous**

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 9.

#### **Enquiries**

Any queries regarding this Public Offer and the Acceptance Form, or requests for additional copies of this Prospectus should be directed to the Company Secretary, whose details are set out in the Corporate Directory.

The Company, its advisors and Directors are not able to provide potential investors with advice as to whether accepting the Offer under this Prospectus is suitable, each potential investor should seek professional advice from their own accountant, stockbroker, lawyer or other professional adviser before submitting an Application.

## CORPORATE DIRECTORY

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### Directors

Mr Peter Richards	Non-Executive Chairman
Mr David Mendelawitz	CEO / Managing Director
Dr Nik Senapati	Non-Executive Director
Mr Tim Webster	Non-Executive Director

### Share Registry\*

Automic Registry Services Pty Limited  
Level 2, 267 St Georges Terrace  
PERTH WA 6000

Phone: 1300 288 664 (within Australia)  
+61 2 9698 5414 (international)

### Company Secretary

Sean Henbury

Email: [hello@automic.com.au](mailto:hello@automic.com.au)

Website: [www.automicgroup.com.au](http://www.automicgroup.com.au)

### Registered and Principal Office

Armada Accountants  
18 Sangiorgio Court  
OSBORNE PARK WA 6017

Phone: +61 8 6165 400

Email: [admin@elmoreltd.com.au](mailto:admin@elmoreltd.com.au)

### Auditor\*

BDO Audit (WA) Pty Limited  
38 Station Street  
SUBIACO WA 6008

### Solicitors

Mendelawitz Morton Commercial Lawyers  
Level 2, Suite 7, 20 Kings Park Road  
WEST PERTH WA 6005

### Website

[www.elmoreltd.com.au](http://www.elmoreltd.com.au)

### Securities Exchange Listing

Australian Securities Exchange (ASX)  
ASX Code: ELE

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

## KEY INFORMATION ON THE PUBLIC OFFER

The below information is a summary of the key information on the Public Offer and is not intended to provide complete information about the Company, the Public Offer or the Shares.

***Potential Investors should read this Prospectus in its entirety.***

Indicative Timetable <sup>1</sup>		Date
Lodgement of this Prospectus with ASIC		23 February 2021
Opening Date of the Public Offer		2 March 2021
Closing Date of the Public Offer		9 March 2021
Issue Date of Shares under the Public Offer		10 March 2021
Despatch of Holding Statements		10 March 2021
Expected date for Official Quotation of Shares on ASX		11 March 2021
Key Offer and Capital Structure	Minimum Subscription	Maximum Subscription
Shares currently on issue <sup>2</sup>	307,129,182	307,129,182
Offer Price per Share	\$0.02	\$0.02
Shares offered under the Public Offer <sup>3</sup>	127,095,892	252,095,892
Cash raised under the Public Offer (before expenses)	\$2,500,000	\$5,000,000
Shares issued to holders of convertible notes	66,729,460	66,729,460
Total Shares on issue on completion of the Public Offer	465,475,074	590,475,074
Indicative market capitalisation at the Offer Price	\$9,309,501	\$11,809,501

### Notes:

- The dates shown in the Indicative Timetable are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date (in their absolute discretion) without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form and deposit the Application Monies as soon as possible after the Opening Date if they wish to invest in the Company.
- Refer Section 1.6 for further details relating to the proposed capital structure of the Company.
- While the minimum shares offered under the public offer is 125,000,000 and the maximum is 250,000,000, the Company has received funds already advanced under the Polaris Note and will be paying accrued interest on the convertible note with shares in the Company. (refer to section 2.3).

## LETTER FROM THE BOARD

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Dear Investor,

On behalf of the Directors of Elmore Ltd (**Company**), we are pleased to present this Prospectus and the opportunity for you to continue to support your Company, or indeed to become a shareholder of the Company.

The Company is an incorporated mineral processing and consulting company with a focus on processing gold, iron, and other minerals that are processed in a similar manner such as base metals, silver and tungsten. Further, the Company has designed a system of modular, reusable foundations to enable it to use large ball mills as part of its moveable processing equipment, thereby making previously unviable small, stranded assets, economic.

The Company has a well-qualified board and management team with vast knowledge and experience in the minerals industry. Details of the board and management team are set out in Section 5 of this Prospectus.

The Company's material agreements include:

- (a) Peko Agreement; and
- (b) Territory Management Agreement.

Detailed information about the Material Contracts of the Company are set out in Section 6.

The purpose of the Public Offer is to raise a minimum of \$2,500,000 up to a maximum of \$5,000,000 (before associated costs) by the issue of between 127,095,892 and 252,095,892 Shares at an issue price of \$0.02 each.

The proceeds of the Public Offer will be utilised to purchase equipment, pay existing creditors and as working capital of the Company to enable the Company to perform and satisfy its obligations under the Material Contracts.

This Prospectus contains detailed information about the Public Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company (**Section 3**). Potential investors should pay particular attention to the Going Concern Risk of the Company outlined at Section 3.1(i).

Potential investors in the Company should carefully consider those risks before making an investment decision and, if required, consult with a stockbroker, solicitor, accountant and/or any other independent professional adviser.

It is anticipated that the Company will be re-listed on ASX on or about 11 March 2021.

We encourage you to read this Prospectus in its entirety before making your investment decision.

We look forward to welcoming you as a Shareholder of the Company should you decide to take up Shares pursuant to the Public Offer.

Yours sincerely,

**Peter Richards**  
**Non-Executive Chairman**

## INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for the Shares offered pursuant to this Prospectus. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

***Potential Investors should read this Prospectus in its entirety.***

Topic	Summary	More information
<b>Introduction</b>		
Who is the Company and what does it do?	Elmore Ltd (ACN 057 140 922) ( <b>Company</b> ) is an Australian company that provides mineral processing and consulting services to miners and explorers who might not otherwise have the capacity to economically exploit their tenements.	Section 2
What are the Company's projects?	The Company has entered into the following agreements to provide mineral processing services on the terms and conditions therein:  (a) Peko Agreement; and (b) Territory Minerals Agreement.	Sections 2.5 & 6
What is the Company's financial position?	The Company's financial position is set out in the attached accounts.	Section 4
What is the proposed capital structure of the Company?	The Company currently has 307,129,182 of shares on issue, all of which are of a single class (ordinary shares). The Company has also issued options to acquire a further 6,333,334 ordinary shares and two convertible notes details of which are set out in Section 2.3.  If this offer is fully subscribed for at the maximum subscription amount, the Company will issue a further 216,616,432 shares to those subscribers plus 66,729,460 shares to the holders of convertible notes. Resulting in a post Re-Admission total ordinary shares on issue of 590,475,074	Sections 1.6 & 2.2
What is the proposed use of funds raised under the Public Offer?	The purpose of the Public Offer is to receive funds for use as working capital of the Company, to execute upon its Material Contracts and to reduce debt.	Section 1.5
What is the Company's strategy?	The Company provides equipment and expertise to owners of mineral resources to help those owners profit from extracting resources that would otherwise not be viable because of the resource size not justifying the cost fixed processing plant. The Company uses	Section 2.5



Topic	Summary	More information
	equipment that can be relocated from project to project, thus providing a stronger business case for the equipment and a lower burden on the owner of resources projects utilising the Company's services.	
<b>Summary of key risks</b>		
Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and potential investors should refer to Section 3 for a more detailed summary of the risks.		
Risks specific to the Company	<p>The Company has identified the follow as risk specific to itself and investors should be aware of such risks prior to submitting an Application:</p> <ul style="list-style-type: none"> <li>(a) Conditionality of Offer;</li> <li>(b) Contractual Risk;</li> <li>(c) Potential for Dilution;</li> <li>(d) New Projects;</li> <li>(e) Future Capital Requirements;</li> <li>(f) Reliance on Key Personnel;</li> <li>(g) Conflicts of Interest; and</li> <li>(h) Competition Risk.</li> <li>(i) Going Concern Risk</li> </ul> <p>The above noted risks are not exhaustive, investors should consider and discuss investing in the Company with their own professional advisors.</p>	Section 3.1
Going Concern Risk	<p>For the year ended 30 June 2020, the Company 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 Company had working capital deficit of \$1,644,784 (30 June 2019: deficit of \$632).</p> <p>At 30 June 2020 the ability of the Company to continue as a going concern was dependent on:</p> <ul style="list-style-type: none"> <li>▪ 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;</li> <li>▪ Current trade creditors agreeing to not call on the amounts owing until such time that the company is in a position to repay;</li> <li>▪ The successful commercialisation and generation of positive cash flows of the consolidated entity's iron ore and gold processing projects; and</li> </ul>	

Topic	Summary	More information
	<ul style="list-style-type: none"> <li>▪ Securing additional funding through debt or equity to continue to fund its operational and development activities.</li> </ul> <p>Twynam has agreed to convert its convertible note fixed according to the balance owing at 28 February 2021 being \$667,671.36, contingent upon the Company achieving re-listing in connection with this Prospectus. This means that if the offer of shares contained in this Prospectus proceeds, the Company will extinguish \$667,671.36 in debt and issue a further 41,729,460 ordinary shares.</p> <p>As per the pro-forma balance sheet contained in section 4.3, the Company expects a working capital surplus of \$1,138,353 if the minimum subscription is achieved and \$3,638,353 if the maximum subscription is achieved.</p>	
Counter Party Risk	<p>The Company has identified the follow risks that may affect the Company's clients, and in turn affect the Company, investors should be aware of such risks prior to submitting an Application:</p> <ul style="list-style-type: none"> <li>(a) Operating Risk;</li> <li>(b) Equipment Location;</li> <li>(c) Exploration and Development Risks;</li> <li>(d) Commodity Price Volatility;</li> <li>(e) Native Title Risks;</li> <li>(f) Aboriginal Heritage Risk;</li> <li>(g) Third Party Risks;</li> <li>(h) Environmental Risk;</li> <li>(i) Licences, permits and approvals; and</li> <li>(j) Foreign Politics.</li> </ul> <p>The above noted risks are not exhaustive, investors should consider and discuss investing in the Company with their own professional advisors.</p>	Section 3.2
General Risks	<p>The Company has identified the follow general risks that may affect the Company and the Company's clients, investors should be aware of such risks prior to submitting an Application:</p> <ul style="list-style-type: none"> <li>(a) Market Conditions;</li> <li>(b) Force Majeure;</li> <li>(c) Government and Legal Risk;</li> <li>(d) Litigation Risks;</li> <li>(e) Insurance Risks;</li> <li>(f) Taxation; and</li> <li>(g) COVID-19.</li> </ul> <p>The above noted risks are not exhaustive, investors should consider and discuss investing in the Company with their own professional advisors.</p>	Section 3.3

Topic	Summary	More information
<b>Directors, Related Party Interest and Substantial Holders</b>		
Who are the Directors?	The Directors are: Mr Peter Richards - Non-Executive Chairman Mr David Mendelawitz - CEO and Managing Director Dr Nik Senapati - Non-Executive Director Mr Tim Webster - Non-Executive Director	"Corporate Directory" and Sections 5.1 & 5.2
What benefits are being paid to the Directors?	Messers Peter Richards, Dr Nik Senapati and Tim Webster are entitled to annual non-executive directors' fee not exceeding the fixed sum determined each financial year. For the 2019/20 financial year Messers Richards, Dr Senapati and Webster were entitled to be remunerated for their services in the amount of \$60,000, \$48,000 and \$4,000 (inclusive of superannuation) respectively.  Mr David Mendelawitz is remunerated for his services in accordance with the terms of the Mendelawitz Agreement. For the 2019/20 financial year Mr Mendelawitz received the amount of \$326,219 (including superannuation entitlements).	Sections 5.6 and 6.4
What interests do Directors have in the securities of the Company?	Prior to the Public Offer, the Directors have the following interests in the securities of the Company:  Mr Peter Richards: 5,733,962 Ordinary Shares and 2,000,000 Director Options;  Dr Nik Senapati: 2,000,000 Director Options  Mr T Webster: 9,922,074 Ordinary Shares and 2,000,000 Director Options	Section 5.5
What important contracts with related parties is the Company a party to?	The Company has entered into the following related party contracts:  (a) Service agreement with David Mendelawitz;  (b) Service agreement with Tim Webster;  (c) Service Agreement with Peter Richards;  (d) Service Agreement with Nik Senapati	Sections 6.4
Who will be the substantial holders of the Company?	JP Morgan Nominees Australia Pty Ltd and Twynam Investments Pty Ltd	Section 7.5
<b>What is the Public Offer?</b>		
What is the Public Offer?	The Public Offer is for a conditional public offering of a minimum of 127,095,892 and up to a maximum of 252,095,892 fully paid ordinary shares in the Company to	Sections 1.2

Topic	Summary	More information
	raise between \$2,500,000 and \$5,000,000 (before associated costs).	
What is the Offer Price?	The issue price of Shares under the Public Offer is \$0.02 per Share.	Sections 1.1 and 1.2
What is the minimum subscription amount under the Public Offer?	<p>The Public Offer is conditional on the Company raising at least \$2,500,000. If the Company fails to raise the Minimum Subscription within four weeks after the date of this Prospectus, the Company will repay the Application Monies (without interest) to Applicants.</p> <p>It should be noted that of the \$2,500,000 minimum, \$500,000 is already committed by the Polaris Note as is further detailed in section 1.2 which will automatically convert to shares at the same price as is set out in this Public Offer if the company is re-admitted to the official list of the ASX.</p> <p>In addition, as is also details in section 1.2 a further \$167,671 in accrued interest on the Twynam convertible note will be paid with shares in the Company.</p>	Sections 1.1 and 1.2
Will the Shares be quoted?	<p>The Company will apply to the ASX for its Re-Admission to the Official List and for quotation of the Shares on the ASX (under the code "ELE") within seven days of the date of this Prospectus.</p> <p>If the Company is not re-admitted to the official list of the ASX, subscription funds will be refunded without interest.</p>	Section 1.6
What is the purpose of this Prospectus?	<p>The purpose of this Prospectus is to:</p> <ol style="list-style-type: none"> <li>1. provide the market with complete and consolidated disclosure of the Company's affairs in order to facilitate re-admission to the official list of the ASX; and</li> <li>2. offer current and potential investors an opportunity to invest in the Company, through the application for Shares.</li> <li>3. To facilitate both the repayment of debt and the funding of current and future commercial opportunities.</li> </ol>	Section 1.5
What are the conditions of the Public Offer?	<p>The Public Offer is subject to two conditions:</p> <ol style="list-style-type: none"> <li>1. the Company raising a minimum of \$2,500,000 (as is mentioned above); and</li> <li>2. the ASX granting approval for Re-Admission of the Company to the Official List. If re-admission is not achieved within the Offer Period, all application moneys will be refunded without interest.</li> </ol>	

Topic	Summary	More information
Are there any escrow arrangements?	No	1.15
What is the Offer period?	1 week from the date of this Prospectus.	"Indicative Timetable"
Is the Public Offer underwritten?	The Public Offer is not underwritten.	1.16
<b>Additional information</b>		
Will the Company be adequately funded after completion of the Public Offer?	<p>Upon receiving the minimum subscription amount, it is anticipated that the Company will have sufficient cash flow from the funding for the next 2 years' operations.</p> <p>The Directors do not guarantee that future funding will not be necessary as there are many factors and circumstances that may result in the Company requiring further funding.</p>	Sections 4.2 and 4.3
What rights and liabilities attach to the Securities on issue?	<p>In summary, the rights attaching to the Shares are:</p> <ul style="list-style-type: none"> <li>(a) all Shares are of the same class and rank equally in all respects. Shares issued pursuant to this Prospectus will rank equally with existing Shares;</li> <li>(b) subject to any rights or restrictions, at general meetings every Shareholder present and entitled to vote may vote and has one vote;</li> <li>(c) Shareholders are entitled to dividends if declared by the Directors, in their absolute discretion; and</li> <li>(d) on winding up of the Company, the liquidator may divide the assets of the Company amongst Shareholders as the liquidator sees fit.</li> </ul>	Section 7.1
Who is eligible to participate in the Public Offer?	Australian residents only	Section 1.14
How do I apply for Shares under the Public Offer?	Application may only be made by completing and lodging an Application Form.	Section 1.8 and application form
When will I receive confirmation that my Application has been successful?	10 March 2021	"Indicative Timetable"
What is the Company's dividend policy?	The Company has not yet developed a dividend policy. The payment of dividends by the Company is at the complete discretion of the Directors. Given the current	Section 2.7

Topic	Summary	More information
	<p>stage of the Company's operations the Directors have no current intention to declare a dividend.</p> <p>In determining whether to declare future dividends the Directors will have regard to the Company's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.</p>	
How can I find out more about the Prospectus or the Public Offer?	Contact the Company Secretary.	

## TERMS AND CONDITIONS OF THE PUBLIC OFFER

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### 1. DETAILS OF PUBLIC OFFER

#### 1.1 Public Offer

This Prospectus invites investors to apply for between 127,095,892 and 252,095,892 Shares at an issue price of \$0.02 each to raise between \$2,500,000 and \$5,000,000 (before associated costs) (**Public Offer**).

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 7.1.

Applications for Shares under the Public Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 1.8(a) for further details and instructions.

#### 1.2 Minimum Subscription

The minimum subscription under the Public Offer is \$2,500,000\*, being 125,000,000 Shares (**Minimum Subscription**). If Applications are not received for the Minimum Subscription none of the Shares offered under the Public Offer will be issued. Should Applications for the Minimum Subscription not be received within two weeks from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

\*The minimum subscription includes the funds already advanced under the Polaris Note (described in more detail in section 2.3). If the Company is re-admitted to the Official List of the ASX the \$500,000 owing by the Company under the Polaris Note will automatically convert to equity.

In addition, Twynam has agreed to convert its convertible note fixed according to the balance owing at 28 February 2021 being \$667,671.36, contingent upon the Company achieving re-listing in connection with this Prospectus. This means that if the offer of shares contained in this Prospectus proceeds, the Company will extinguish \$667,671.36 in debt and issue a further 41,729,460 ordinary shares.

The issue of the shares in satisfaction of the accrued interest component of the Twynam Note of \$167,671.36 will be issued using the Company's 15% annual placement capacity. For this reason, the shares issued in satisfaction of the accrued interest will be included for the purposes of determining whether the Company achieves the minimum \$2,500,000 raise under this prospectus. Refer to Section 2.3 for a detailed description of the Twynam convertible note.

This means that the Company will only need to raise a further \$1,832,329 under this Public Offer in order to achieve that target.

#### 1.3 Purpose of the Public Offer

The purpose of the Public Offer is to:

- (a) raise a minimum of \$2,500,000 (before associated costs of the Offer);

- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Re-Admission to the Official List; and
- (c) position the Company to seek to achieve the objectives detailed in Section 2.

## 1.4 Conditional Public Offer

The Public Offer under this Prospectus is conditional upon ASX granting approval for Re-Admission to the Official List.

If this condition is not satisfied, then the Public Offer will not proceed and the Company will return all Application Monies (without interest) received under the Public Offer in accordance with the Corporations Act.

## 1.5 Proposed use of funds

Following the Public Offer, it is anticipated that the following funds will be available to the Company:

Source of funds	Minimum Subscription \$'000	Maximum Subscription \$'000
Existing cash as at the date of this Prospectus	535	535
Proceeds from Public Offer <sup>1</sup>	2,000	4,500
<b>Total funds available</b>	<b>2,535</b>	<b>5,035</b>

- While the minimum subscription is \$2,500,000, the Company has received funds already advanced under the Polaris Note and is converting the accrued interest component of the Twynam Note (refer to section 1.2).

The following table shows the intended use of funds in the two year period following Re-Admission:

Proposed use of funds - Year 1	Minimum Subscription		Maximum Subscription	
	\$'000	%	\$'000	%
Directors' fees <sup>1</sup>	\$156	6%	\$156	3%
General administration fees and working capital <sup>2</sup>	\$1,000	39%	\$2,000	40%
Estimated expenses of the Offer <sup>3</sup>	\$180	%	\$180	3%
<b>Total funds allocated - Year 1</b>	<b>\$1,336</b>	<b>53%</b>	<b>2,336</b>	<b>46%</b>



Proposed use of funds - Year 2	Minimum Subscription		Maximum Subscription	
	\$'000	%	\$'000	%
Directors' fees <sup>1</sup>	\$156	6%	\$156	3%
General administration fees and working capital <sup>2</sup>	\$543	21%	543	11%
Purchase of Plant & Equipment <sup>4</sup>	\$500	20%	\$2,000	40%
<b>Total funds allocated - Year 2</b>	<b>\$1,199</b>	<b>47%</b>	<b>\$2,699</b>	<b>54%</b>
<b>TOTAL FUNDS ALLOCATED</b>	<b>\$2,535</b>	<b>100%</b>	<b>\$5,035</b>	<b>100%</b>

**Notes:**

1. See Section 5.6 for further information on the Directors' remuneration.
2. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent, other associated costs and also surplus funds.
3. Expenses paid or payable by the Company in relation to the Offer are set out in Section 7.8.
4. Mobile gold processing plant.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and a number of other factors (including the risk factors outlined in Section 3), and actual expenditure levels may differ significantly from the above estimates.

The Board believes that the funds raised from the Public Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Public Offer will provide the Company with sufficient funding for only 2 years' operations.

See Section 3.1(e) for further details about the risks associated with the Company's future capital requirements.

## 1.6 Capital Structure on Re-Admission

On the basis that the Company completes the Public Offer on the terms in this Prospectus and assuming no further Securities are issued, on Re-Admission the Company's capital structure will be as follows:

Field Name	Minimum Subscription		Maximum Subscription	
	Shares	%	Shares	%
On issue as at the date of this Prospectus <sup>1</sup>	307,129,182	65.98%	307,129,182	52.01%
To be issued under the Public Offer	91,616,432	19.68%	216,616,432	36.69%
Conversion of convertible notes	66,729,460	14.34%	66,729,460	11.30%
<b>TOTAL SHARES</b>	<b>463,379,182</b>	<b>100%</b>	<b>588,379,182</b>	<b>100%</b>

**Note:**

1. Please refer to Section 2.2 for further details relating to the Company's current capital structure.

## 1.7 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the provisions of payment under the Processing Agreements are too complex and subject to a range of contingencies. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given the complexity of the payment provisions within the Processing Agreements, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 4 for further information as to the reason for not providing forecast future earnings.

## 1.8 Applications

### (a) General

Applications for Shares under the Public Offer must be made using the Application Form accompanying this Prospectus or as otherwise provided by the Company. Applicants should refer to the "how to" instructions within the Application Form when completing the Application Form.

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account. Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Company.

#### (i) Option 1: Submitting an Application Form with a cheque

Investors may complete an Application Form which accompanies and forms part of this Prospectus. Investors must enclose a cheque, made

payable to "Elmore Ltd" and crossed "Not Negotiable" and mail or deliver both the Application Form (completed in accordance with the terms set out in the Application Form) and the cheque to the address set out on the Application Form by no later than the Closing Date.

(ii) **Option 2: Submitting an Application Form and paying with BPAY or EFT**

For online applications, Investors can apply online with payment made electronically via BPAY® or EFT (Electronic Funds Transfer). Investors applying online will be directed to use an online Application Form and make payment by BPAY® or EFT. Investors will be given a BPAY® biller code and a customer reference number or payment reference number unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Investors must:

- (A) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (B) select to use BPAY® and follow the prompts; enter the biller code and unique customer reference number that corresponds to the online Application;
- (C) enter the amount to be paid which corresponds to the value of Shares under the online Application;
- (D) select which account payment is to be made from;
- (E) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (F) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution:

- (iii) whether there are any limits on the Investor's account that may limit the amount of any BPAY® or EFT payment; and
- (iv) the cut off time for the BPAY® or EFT payment.

Investors can apply online by following the instructions at <https://investor.automic.com.au/#/w/elmoreltd> and completing a BPAY® or EFT payment. If payment is not made via BPAY® or EFT, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® or EFT payment must be completed and received by no later than the Closing Date.

Completed Application Forms and any accompanying cheques or confirmation of electronic funds transfer must be received by the Company before 5.00pm AWST on the relevant Closing Date by either being posted or delivered to the following addresses:

By post	By hand delivery
Elmore Ltd C/- Automic Group GPO Box 5193 Sydney NSW 2001	Elmore Ltd C/- Automic Group Level 2, 267 St Georges Terrace Perth WA 6000

An original, completed and lodged Application Form together with a cheque or confirmation of electronic funds transfer for any Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final, however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or electronic funds transfer for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (v) agrees to be bound by the terms of the Offer;
- (vi) declares that all details and statements in the Application Form are complete and accurate;
- (vii) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (viii) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (ix) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and
- (x) acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

The Public Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Public Offer or accept late Applications.

**(b) Public Offer**

Applications under the Public Offer must be for a minimum of 100,000 Shares (\$2,000) and then in increments of 25,000 Shares (\$500).

**1.9 CHESS and issuer sponsorship**

The Company participates in the Clearing House Electronic Subregister System (CHESS). All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of Securities.

Under CHESS, the Company does not issue certificates to Security holders. Instead, Security holders will receive a holding statement (similar to bank statements) of their holdings in the Company as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Security holders who elect to hold Securities on the CHESS sub-register) or by the Company's Share Registry (for Security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of existing Securities (where applicable) and the number of new Securities allotted under this Prospectus and provide details of a Security holder's holder identification number (for Security holders who elect to hold Securities on the CHESS sub-register) or Security holder reference number (for Security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each Security holder at the end of each calendar month in which there the balance of their shareholding changes, as required by the Listing Rules. A Security holder may request a statement at any other time; however, a fee may be charge for the production of the additional statements.

**1.10 ASX Listing and Official Quotation**

Within 7 days after the date of this Prospectus, the Company will apply to ASX for Re-Admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered under the Public Offer will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable or the Company will issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Re-Admission and Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

**1.11 Application Monies to be held in trust**

Application Monies will be held in trust for Applicants until the allotment of the Shares under the Public Offer. Any interest that accrues on the Application Monies will be retained by the Company.

## **1.12 Allocation and issue of Shares**

The Directors will allocate Shares under the Public Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements).

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.

Subject to the satisfaction of the condition to the Public Offer outlined in Section 1.4, Shares under the Public Offer are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Public Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

## **1.13 Risks**

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

## **1.14 Overseas Applicants**

No action has been taken to register or qualify the Shares, or the Public Offer, or otherwise to permit the offering of the Shares, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

## **1.15 Escrow arrangements**

None of the Shares issued pursuant to the Public Offer are expected to be restricted securities.

### **1.16 Underwriting**

The Public Offer is not underwritten.

### **1.17 Commission**

The Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee.

### **1.18 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Public Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

### **1.19 Privacy disclosure**

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

### **1.20 Paper copies of Prospectus**

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the relevant Application Form to investors upon request and free of charge. Requests for a paper copy form should be directed to the Company Secretary on [admin@elmoreltd.com.au](mailto:admin@elmoreltd.com.au).

### **1.21 Enquiries**

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, a potential investor has any questions about any aspect of investing in the Company, that potential investor should contact its stockbroker, accountant or independent financial adviser.

Questions relating to the Public Offer and the completion of an Application Form can be directed to the Company Secretary on [admin@elmoreltd.com.au](mailto:admin@elmoreltd.com.au) or +61 8 6323 2310.

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## 2. COMPANY OVERVIEW

### 2.1 Company and Business Overview

The Company, then known as North Shore Laboratories Pty. Ltd., was incorporated on 14 August 1992 as a proprietary limited company in the State of Western Australia. The purpose of the Company at the time of incorporation was medical research and development.

On or around 9 October 1997 the shareholders of the Company resolved to change its name from “North Shore Laboratories Pty. Ltd.” to “NSL Health Pty Ltd”. Further, on or around 17 October 1997 it was resolved that the Company convert from a proprietary limited company to a public limited company.

On or around February 1998 the Company was admitted to the Official List under the name “NSL Health Limited”. The purpose of the Company, at that time, was to undertake research, development and manufacturing of disposable skin prick testing devices and testing of fluid samples.

On or around 18 October 2007 the Board agreed to, and did, change the business operation strategy of the Company to move away from medical research and diagnostic business to a mining and exploration business, with a focus on mining in India.

With an effective date of 18 May 2009 the Company resolved to change its name from “NSL Health Limited” to “NSL Consolidated Limited” as the new name more aligned with the changed operational activities of the Company at that time (<https://www.asx.com.au/asxpdf/20090513/pdf/31hkr5c02qf2x5.pdf>).

On 28 June 2018 by a special resolution of the shareholders of the Company, the Shareholders resolved to change its name from “NSL Consolidated Limited” to “IndiOre Ltd” (<https://www.asx.com.au/asxpdf/20180628/pdf/43w3x4r48g0l1w.pdf>) to better reflect the change in business operation strategy as stated above.

In 2019 the Directors of the Company instigated an investigation into the Indian mining tenements and projects in which it held an interest. As a result of that investigation the Company’s business strategy pivoted from that of a mining and exploration business in India to an Australian based mineral processor.

Due to this latest pivot in business strategy of the Company, it was decided that the name of the Company should be changed to reflect the move away from mining in India.

On 5 July 2019 at an extraordinary meeting of the shareholders of the Company, the shareholders approved the change of name of the Company, from “IndiOre Ltd” to “Elmore Ltd”, with an effective date of 15 July 2019 (<https://www.asx.com.au/asxpdf/20190715/pdf/446mgp8c05ppvg.pdf>). The Company also obtained consent from its shareholders to a change in nature and scale of its activities. These events represented the finalisation of the Company’s attempt to build an Indian mining business. The Company no longer has any business or assets in India or in any other place outside of Australia.

Since its initial admission to the Office List the Company has undertaken a number of capital raising activities for which details may be found on the ASX website under Public Announcements and Historical Announcements for ELE.



As at the date of this Prospectus, the Company's Board comprises Messrs Peter Richards (Non-Executive Director and Chairman), David Mendelawitz (Chief Executive Officer and Managing Director), Tim Webster (Non-Executive Director) and Dr Nik Senapati (Non-Executive Director). The Company Secretary is Mr Sean Henbury. Further information on the Board is set out in Section 5.

## 2.2 Current Capital Structure of the Company

As at the date of this Prospectus, the capital structure of the Company, and particulars of its current top 20 Shareholders (and their related entities), are as follows:

Security holder	Shares <sup>1</sup>	%
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
Credic Fraser Goode & Kyle 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

Security holder	Shares <sup>1</sup>	%
Other Shareholders	112,495,967	36.63
Shares on issue as at the date of this Prospectus	307,129,182	100

Security holder	Options <sup>2</sup>	%
Mr Peter Richards <sup>3</sup>	2,000,000	31.58
Dr Nik Senapati <sup>3</sup>	2,000,000	31.58
Mr Tim Webster <sup>3</sup>	2,000,000	31.58
Raymond James Betros	333,334	5.26
Non-related party Security holders	-	-
Securities on issue as at the date of this Prospectus	6,333,334	100

**Notes:**

1. Refer to Section 7.1 for a summary of the rights attaching to the Shares.
2. Refer to Section 7.2 and 7.15 for a summary of the rights attaching to the Options.
3. These Options are Director Options issued to the Directors pursuant to their respective engagement agreements with the Company (see Section 6.3 for details).

## 2.3 Convertible Notes

### Twynam Note

In or around December 2019 Twynam Investments Pty Ltd, the majority shareholder of the Company, advanced the sum of \$500,000 to the Company in the form of a 90-day secured note.

Terms of the secured note include:

- (a) interest at 20% per annum;
- (b) maturity date of 18 March 2020; and
- (c) convertible at \$0.02 per share equivalent or a 20% discount to the last raise, whichever is lower. Consequently, the current exercise price is \$0.016.

The note was not converted upon the maturity date stated above therefore is subject to interest at a default interest rate of 30%. A new maturity date has been agreed as 31 March 2021.

On 19 February 2021 Twynam agreed to convert its note fixed according to the balance owing at 28 February 2021 being \$667,671.36 contingent upon the Company achieving

re-listing in connection with this Prospectus. Meaning that if the offer of shares contained in this Prospectus proceeds, the Company will extinguish \$667,671.36 in debt and issue a further 41,729,460 ordinary shares.

The issue of the above shares in relation to the \$500,000 face value of the note has already been approved by shareholders and consequently, will be disregarded for the purposes of determining whether the Company achieves the minimum \$2,500,000 raise under this Prospectus.

The issue of the shares in satisfaction of the accrued interest component of the Twynam Note of \$167,671.36 will be issued using the Company's 15% annual placement capacity. For this reason the shares issued in satisfaction of the accrued interest will be included for the purposes of determining whether the Company achieves the minimum \$2,500,000 raise under this prospectus.

#### **Polaris Note**

On February 5<sup>th</sup> 2021 SB & ET Holdings Pty Ltd a related entity of Polaris Engineering, a strategic industrial partner of the Company, advanced the sum of \$500,000 to the Company in the form of a 2 year secured note.

Terms of the secured note include:

The note automatically converts to 25,000,000 ordinary shares (\$0.02c conversion price) if and when the Company is re-instated on the ASX. For the sake of clarity, all relevant figures in this prospectus are based upon the conversion of this debt into equity. That means that the company needs only to raise a further \$2,000,000 in order to meet the minimum subscription amount referred to above.

Although new investors are not exposed to the risk of the note remaining as a debt in the case that the Company is not able to be re-instated trading on the ASX as investors funds would be returned in that instance, for information sake and for existing shareholders the terms of the note should it not be automatically converted are:

- a) interest at 7% per annum;
- b) maturity date of 5 February 2021; and
- c) convertible at \$0.02 per share equivalent.

## **2.4 Corporate Structure**

Upon the Company's Re-Admission to the Official List the Company will hold no subsidiaries.

The Company is the registered holder of 6,282 shares in an unlisted Australian rare earth company, New Age Resources Pty Ltd ACN 622 780 072 (**New Age**). The Company's shareholding is equal to approximately 20% of the issued capital of New Age.

## **2.5 Overview of the Business Operations**

- (a) Overview of Strategy

Elmore has developed a mobile mineral processing solution for smaller stranded mineral deposits that has opened up a sector of the mineral industry that has lain relatively dormant due to the prohibitive infrastructure costs associated with grinding and carbon-in-leach (CIL) processing methods.

One of the main points of difference that Elmore has over others in the mining sector is a patent-pending concrete footing system that enables large concrete footings to be freighted to projects and installed within a week of arriving. These footings can be removed at the end of a project and relocated to the next project along with all of the mobile processing equipment.

These footings allow for appropriate scaled equipment to be installed to obtain the economies of scale required to enable the viability of previously stranded projects. The mobile solution enables Elmore to amortise the capital cost of the infrastructure and equipment over more than one project, which enables Elmore to be able to offer a viable processing cost structure to its clients.

There are other environmental and project timing advantages that make Elmore's offering attractive to its clients, including the removal of inground concrete footings that traditionally remain on site or have to be removed at great cost. Equipment procurement lead times and infrastructure installation times, which are also heavily influenced by on site weather conditions, are ameliorated when a mobile footing solution is used.

Elmore has been establishing the business in the following order:

- (i) Establish Market
- (ii) Build Team
- (iii) Provide consulting services to support overheads
- (iv) Design Equipment
- (v) Purchase existing equipment to increase cash flow
- (vi) Conduct due diligence on a range of projects and negotiate contracts on acceptable projects
- (vii) Deploy full mobile gold process plant to demonstrate proof of concept and increase cash flows
- (viii) Deploy additional process plants to increase profits
- (ix) Invest in clients Companies or Projects when acceptable opportunities arise

Since re-focusing the Company in 2019, items (i) to (vi) have been successfully achieved. The Company is expecting to achieve (vii) in 2021 and (vii) in H2, 2022, (ix) has no set target date.

(b) **New Proprietary Equipment**

The Company has designed a system of modular (the **System**), reusable foundations to enable it to use large ball mills as part of its moveable processing equipment.

The System comprises of parts that can be transported using conventional road trailers and unloaded for assembly. The System allows for foundations of any size to be assembled without the need for large teams and concrete batch plants, and weather conditions have a reduced impact on curing time. Following completion of processing works the System may then be removed and sent for use at another site.

The Company has lodged a provisional patent as to the System.

(c) **Crushing and Screening Plant**

The Company owns a 5MTPA Crushing and Screening Plant which was a fixed plant but has recently been dismantled and is being converted into a mobile plant for great commerciality utility.

(d) **Mineral Processing**

The Company is a provider of mineral processing and consulting services. The Company's clients are small miners and explorers who might not otherwise have the capacity to economically exploit their respective tenement(s). The Company does not operate mining services on the tenement(s).

The Company has entered into the TM Agreement to provide processing services subject to the terms and conditions of the agreement.

(e) **Peko Tailings Project (PT Project)**

The Company entered into the Minerals Processing Agreement dated 9 January 2020 with ICA Mining Pty Ltd (ACN 629 874 246) (**Miner**) for a period of five years to oversee the construction (including project evaluation, design),

operation and management of a magnetite process plant for iron ore in the Northern Territory of Australia.

The Peko Tailings Project site is located in the Northern Territory, as shown below in Figure 1.



**Figure 1: Project location**

### **Background**

The PT Project area contains a stockpile of magnetite, gold, copper and cobalt tailings derived from 50 years of processing of ore from the Peko Mine.

The PT Project is located approximately 10 kilometres east of the town of Tennant Creek in the Northern Territory. Tennant Creek is located on the Stuart Highway about 1,000 kilometres from Darwin and 500 kilometres from Alice Springs at the junction of two large arterial roads, the Barkly Highway and the Stuart Highway. Access to the PT Project is via the Peko road to the old Peko Mine site. Historic gold mines Nobles Nob, Juno and Eldorado are all nearby.

### **Current Status of PT Project**

The Company has completed the design and procurement and is awaiting commencement of construction of the processing plant.

### **Fee Structure:**

The initial phase has been completed and payment received in full. Payment consisted of consulting fees varying between \$150,000 and \$200,000 per month.

As from 1 November 2020, the Miner is to bear all costs plus pay a production royalty equal to:

- \$100,000 management fee per month;

- \$2 per tonne concentrate removed from site; plus
- Target production rate is 42,000 tonnes per month,

for the management of processing activities. Presently no production is yet occurring and so the Company is receiving only the management fee. Production is expected to commence in the first half of 2021.

(f) **Territory Minerals**

The Company entered into the Minerals Processing Agreement dated 15th January 2021 with Territory Minerals Trading Ltd (ACN 121 200 299) (Miner) for a period of 30 months from commencement, to provide gold and antimony processing services to TM.

**Background**

TM has a number of gold (+/- antimony) projects in Far North Queensland, Australia in Hodgkinson Basin. The Project contains two main locations.

Tregoora Project area, which is centred 130 km north west from Cairns and 100 km west-northwest from Mareeba and covers approximately 305 square kilometres, Queensland.

Northcote Project area, which is centred 25 km west of Mareeba, 100 km west from Cairns and approximately 80km south of the Tregoora area. The tenements cover approximately 203 square kilometres.



Territory Minerals Deposit Location

### **Project/Contract terms**

Elmore has been contracted to provide a turn-key processing solution for gold ore mined by Territory Minerals. The contract is subject to certain material conditions precedent that the parties are obliged to use best endeavours to satisfy. Those conditions are:

1. Territory must obtain all necessary approvals and licenses on or before 15 January 2022;
2. Both parties must agree on a project implementation schedule on or before 15 October 2021;
3. Territory must appoint a mining contractor on or before 15 January 2022;
4. Territory must raise sufficient working capital to support the contract on or before 15 January 2022.

Contract term: 30 months from commencement of processing

### **Project Status**

Elmore has begun to carry out preliminary assessment and design of the processing plant with the intention of being ready to start production in April 2022.

### **Fee Structure**

This contract is based on a \$40/tonne processing cost plus a royalty to be paid to Elmore equal to 8% of any gold recovered above 1.5 grams per tonne in-feed. The Company is required to provide capacity to process not less than 36,000 tonnes per month.

No revenue will be generated unless and until the conditions precedent listed above have been satisfied or waived.

## **2.6 Business strategy/objectives of the Company**

During the period immediately following re-listing, the Company's primary focus will be performing already contracted mineral processing services pursuant to the Processing Agreements and to seek further commercial opportunities to provide processing services.

## **2.7 Dividend policy**

The Company does not expect to pay dividends in the near future as its focus will primarily be on ensuring that it maintains sufficient capital to enable it to continue performing its obligations under the Processing Agreements and to allow it to capitalise on commercial opportunities as they arise.



Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

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### **3. RISK FACTORS**

As with any investment in securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for the Shares.

Any investment in the Company under this Prospectus should be considered highly speculative.

#### **3.1 Risks specific to the Company**

**(a) Conditionality of Offer**

The obligation of the Company to issue the Shares under the Public Offer is conditional on ASX granting approval for Re-Admission to the Official List. If this condition is not satisfied, the Company will not proceed with the Public Offer. Failure to complete the Public Offer may have a material adverse effect on the Company's financial position.

**(b) Contractual Risk**

The ability of the Company to achieve its stated objectives is materially affected by the performance by the parties of their obligations under the respective agreement. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

**(c) Potential for Dilution**

On completion of the Public Offer and the subsequent issue of Shares pursuant to the Public Offer, the number of Shares in the Company will increase from 307,129,182 to up to 588,379,182, assuming the maximum subscription of the Public Offer is achieved. This means the number of Shares on issue will increase by up to 91.57%\* on completion of the Public Offer. On this basis, existing Shareholders should note that if they do not participate in the Public Offer (and even if they do), their holdings may be diluted (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

\* This dilution percentage includes the conversion of two convertible notes already on issue by the Company, which will automatically convert if the Company is re-admitted to the Official List pursuant to this Public Offer. Details of the convertible notes can be found in section 2.3.

**(d) New Projects**

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form

of direct project acquisitions, joint ventures, and/or direct equity participation. Each such projects will give rise to specific contractual performance risks on behalf of both the Company and its counter parties.

As the Company's business model is dependent on providing services to third party tenement owners, not processing its own minerals, there is also the risk that the Company will not successfully negotiate any new projects.

**(e) Future Capital Requirements**

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Public Offer should be adequate to fund its business activities and other Company objectives in the short term as stated in this Prospectus.

Although the Directors believe that the Public Offer will yield sufficient funding for its business activities the Company may require additional capital. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

**(f) Reliance on Key Personnel**

The Company is reliant on a number of key personnel, including senior management, and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

**(g) Conflicts of Interest**

Except for Messer Peter Richards, the other Directors of the Company do not hold any other directorship in any other public company.

Messer Peter Richards is also a director of:

- (i) Emeco Holdings Limited (ASX: EHL), a mining equipment rental company;
- (ii) GrainCorp Limited (ASX: GNC), operates within the agricultural industry with its core business in receiving and storing grain and related commodities; and

- (iii) Cirralto Limited (ASX: CRO), is a transaction services business supplying industries with a broad range of B2B payment services, digital trading software and integrated solutions.

GrainCorp Limited and Cirralto Limited operate outside the mining industry, therefore there is no conflict of interest in the appointment of Messer Peter Richards to the Company and GrainCorp Limited and Cirralto Limited.

All Directors have been advised of their fiduciary duties to the Company and each Director's obligation to disclose any and all conflicts, or suspected conflict, as and when they arise, or are suspected.

(h) **Competition Risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(i) **Going Concern Risk**

For the year ended 30 June 2020, the Company 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 Company had working capital deficit of \$1,644,784 (30 June 2019: deficit of \$632).

At 30 June 2020 the ability of the Company to continue as a going concern was dependent on:

- 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.

Twynam has agreed to convert its convertible note fixed according to the balance owing at 28 February 2021 being \$667,671.36, contingent upon the Company achieving re-listing in connection with this Prospectus. This means that if the offer of shares contained in this Prospectus proceeds, the Company will extinguish \$667,671.36 in debt and issue a further 41,729,460 ordinary shares.

As per the pro-forma balance sheet contained in section 4.3, the Company expects a working capital surplus of \$1,138,353 if the minimum subscription is achieved and \$3,638,353 if the maximum subscription is achieved.

### **3.2 Counter Party Risk**

The Company's operations rely on third parties, its clients, to locate and be granted a right/licence to mine the minerals located within a relevant site. The Company's clients are therefore required to be granted, maintain and renew certain licences, grants, agreements that directly affect the Company's ability to provide mineral processing services. The below is a list of some risk factors due to the Company's engagement with third parties:

#### **(a) Operating Risk**

The operations of the Company's clients may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

#### **(b) Equipment Location**

The Company owns and operates its equipment on tenements that are owned by unrelated third parties, therefore the equipment is at risk when located on the tenement of a third party, specifically in the event of insolvency of the third party. The Company reduces this risk by way of registering appropriate security interests on the Personal Property Securities Register (established pursuant to the *Personal Property Securities Act 2009* (Cth)) against the relevant piece of equipment.

Registration on the PPSR does not reduce the risk of:

- (i) Third party non-payment (when solvent);
- (ii) Third party breach of contractual terms;
- (iii) Occupational safety and health issues that arise from having separate management of mining versus processing activities on the same site.

#### **(c) Exploration and Development Risks**

The Company's clients' businesses are subject to risk by their own nature, that they are mineral exploration, development and production entities. As a mineral processing Company, the Company's business operations are heavily reliant on the success of its clients. Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Project sites or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing

funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

The future exploration activities of the Company's clients may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

**(d) Commodity Price Volatility**

The Company's clients ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. The Company's clients primarily process iron ore and gold and there is a risk that the relevant commodity price may fall, which will have an adverse effect on the client's project, its viability and therefore the Company's ability to continue to provide processing services.

Further, the world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for copper and gold that may be mined commercially in the future from the Company's clients project areas, forward selling by producers and production cost levels in major mineral-producing regions. These factors may have an adverse effect on the Company's clients' exploration, development and production activities, as well as on its ability to fund those activities thereby reducing the need for mineral processors.

Additionally, metals are principally sold throughout the world in US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's clients' operations, financial position (including revenue and profitability) and performance.

**(e) Native Title Risks**

There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of a tenement or in the vicinity of a client's tenement. The existence of native title claims over an area covered by a tenement, or a subsequent determination of native title over an area, will not impact the rights or interests of the holder under the tenement provided that the relevant tenement has been validly granted in accordance with the Native Title Act.

**(f) Aboriginal Heritage Risk**

There remains a risk that Aboriginal sites may exist on the land the subject of a tenement. The existence of such sites may preclude or limit mining activities in certain areas of a tenement.

**(g) Third Party Risks**

Under Western Australian and Commonwealth legislation, the Company's client may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the tenement

of that client, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the relevant tenement.

**(h) Environmental Risk**

The operations and proposed activities of each of the Company's client are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company's client from being able to develop potentially economically viable mineral deposits.

**(i) Licences, permits and approvals**

The Company relies on its clients to obtain and maintain all material authorisations required to operate their relevant projects within Australia. While not all exploration activities of the Company's projects require permits, some exploration activities including but not limited to drilling must be conducted with the requisite government permit.

However, many of the mineral rights and interests to be held by the Company's clients are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change from time to time. There is risk of delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

There is also risk that the necessary land acquisitions, permits, certificates, consents, authorisations and agreements required to implement future exploration, project development, or mining of the Company's projects may not be obtained under conditions or within time frames that make such plans economic.

**(j) Foreign Politics**

The Company's clients rely on the export of its extracted minerals to foreign nations, which relationships may be affected by foreign policy as determined by the governing bodies of the relevant nations from time to time. This risk is beyond the control of the Company and the Company's clients, but a change in foreign trade terms may affect a Company's client from continuing to mine and therefore affect the Company's revenue.

Currently there are certain Australian industries that are experiencing difficulties with exporting their relevant goods to the People's Republic of China. One such industry is the coal industry. These difficulties are not currently affecting the export of gold and/or iron ore but it is uncertain as to whether these difficulties will be experienced by Australian gold and/or iron ore exports.

### **3.3 General Risks**

#### **(a) Market Conditions**

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

#### **(b) Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

#### **(c) Government and Legal Risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to process minerals.

The Company is not aware of any reviews or changes that would affect its business operations. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

#### **(d) Litigation Risks**

The Company is exposed to possible litigation risks including but not limited to contractual disputes, occupational health and safety claims and employee claims. The Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may

impact adversely on the Company's operations, financial performance and financial position.

**(e) Insurance Risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with processing is not always available and where available the costs can be prohibitive.

**(f) Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

Further, changes to the corporate tax rate may have significant impact on the value of the Company and the Shareholders including the expenses incurred in the Company complying with current and future tax legislation.

**(g) COVID-19**

The novel coronavirus disease (**COVID-19**) has and continues to impact global economic markets. The nature and extent of the effect of COVID-19 remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may impact the Company's operations and are beyond the control of the Company.

Further, the global impact of COVID-19 may adversely affect the Company's clients' and their ability to fulfil the requirements under any service agreement with the Company.

### **3.4 Speculative investment**

The above list of risk factors is not an exhaustive list of risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.



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## **4. FINANCIAL INFORMATION**

### **4.1 Prospective Financial information**

Other than the Peko Agreement each of the Company's existing contracts and potential contracts is subject to ongoing negotiation, or a number of conditions and conditions precedent that must be satisfied before the Company is obliged to perform its obligations or entitled to be paid for its services. The Company is working diligently with each counterparty in order to procure the satisfaction of each of these conditions in a timely fashion, but certain of these conditions (such as the grant of mining and similar permits) are outside of the control of the Company and its clients.

Consequently, the Company cannot reasonably predict when revenues from certain material contracts will commence, or indeed, if revenue will commence at all. The Company is thus unable to make any reasonably reliable prediction of future revenue.

### **4.2 Revenue Producing Contracts**

The Company has entered into or is in the process of negotiating a number of minerals processing and consulting agreements with Australian minerals companies. As is explained in the previous section, the majority of those contracts are not yet producing revenue and may never do so. However, we set out the material terms of those agreements section 2.5 above which including the conditions precedent to those agreements and the state of satisfaction of those conditions at the date of this Prospectus.

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. The Company's performance in any future period cannot be reliably estimated due to uncertainty as to timing and outcome of each Processing Agreement and the general nature of the industry in which the Company and the Company's clients operate. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

### **4.3 Statement of Financial Position**

Set out below is:

- (a) an audited statement of financial position of the Company as at 30 June 2020; and
- (b) an audited pro-forma statement of financial position of the Company as at 30 June 2020, incorporating the effect of the Public Offer.

	Note	30 June 2020 (Audited) \$	30 June 2020 Pro-Forma (Unaudited) \$ Minimum Subscription	30 June 2020 Pro-Forma (Unaudited) \$ Maximum Subscription
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5	9,250	1,024,367	3,524,367
Trade and other receivables		937,648	937,648	937,648
<b>Total current assets</b>		<b>946,898</b>	<b>1,962,015</b>	<b>4,462,015</b>
<b>Non-current assets</b>				
Other receivables and prepayments		50,772	50,772	50,772
Right of use asset		414,890	414,890	414,890
Property, plant and equipment	2	1,587,465	2,487,465	2,487,465
Other financial assets	2	6,282	356,282	356,282
<b>Total non-current assets</b>		<b>2,059,409</b>	<b>3,309,409</b>	<b>3,309,409</b>
<b>Total assets</b>		<b>3,006,307</b>	<b>5,271,424</b>	<b>7,771,424</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		1,224,604	224,604	224,604
Provisions		67,692	67,692	67,692
Borrowings	1	828,480	470,906	470,906
Lease liabilities		470,906	60,460	60,460
<b>Total current liabilities</b>		<b>2,591,682</b>	<b>823,662</b>	<b>823,662</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,591,682</b>	<b>823,662</b>	<b>823,662</b>
<b>Net assets</b>		<b>414,624</b>	<b>4,447,761</b>	<b>6,947,761</b>
<b>Equity</b>				
Contributed equity		75,991,282	78,774,419	81,274,419
Other reserves		2,709,165	2,709,165	2,709,165

Asset revaluation reserve	2	-	1,250,000	1,250,000
Capital and reserves attributable to owners of Elmore Limited		78,700,447	82,733,584	85,233,584
Accumulated losses		78,285,823	78,285,823	78,285,823
<b>Total equity</b>		<b>414,624</b>	<b>4,447,761</b>	<b>6,947,761</b>

Notes in relation to 30 June 2020 pro-forma (unaudited) statement of financial position:

1. Assumes that convertible note of \$500,000 and accrued interest associated with the Twynam Note are converted to equity.
2. Since full year end the company has changed its accounting policy regarding the valuation of PP&E and other financial assets. At 30 June 2020, all other property, plant and equipment is stated at historical cost less depreciation.

The Company has decided to measure property, plant and equipment at fair value. Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants.

On adoption of a fair value measurement of property, plant and equipment, the entity measured these assets at fair value rather than historical cost, with the difference being recognised as an Asset Revaluation Reserve. This has resulted in an increase in value of \$1,250,000 in reserves, \$350,000 in other financial assets and \$900,000 in property plant and equipment.

The Company believes that the use fair value to value PP&E and other financial assets more accurately reflects the value of the Company's assets.

3. Subsequent to year end the Company issued a convertible note to Polaris Industries for \$500,000. This note will be converted upon the Company's reinstatement to the official list. For the purposes of this proforma it has been assumed that the note has been converted.
4. It has been assumed that the Capital Raising fees associated with the Public Offer will be paid via the issue of shares.
5. The movement in the cash assets is reconciled as follows:

	Minimum Subscription (\$)	Maximum Subscription (\$)
Opening balance	9,250	9,250
Receipt of Polaris Convertible Note	500,000	500,000
Placement of shares at \$0.02 each	1,832,329	4,332,329

Repayment of borrowings	- 200,212	- 200,212
Payment of creditors	- 1,000,000	- 1,000,000
Other Costs (Legal and Accounting)*	- 117,000	- 117,000
Closing balance	1,024,367	3,524,367

The 2020 annual report to shareholders was released on 14 December 2020, and can be found at the following link:

[2020 Annual Report to shareholders](#)

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## 5. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

### 5.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Peter Richards - Non-Executive Chairman;
- (b) Mr David Mendelawitz - Chief Executive Officer and Managing Director;
- (c) Dr Nik Senapati - Non-Executive Director; and
- (d) Mr Tim Webster - Non-Executive Director.

### 5.2 Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are:

(a) **Mr Peter Richards - Non-Executive Chairman**

Mr Richards has over 40 years of international business experience with global and regional companies including British Petroleum (including its mining arm Seltrust Holdings), Wesfarmers Limited, Dyno Nobel Limited and Norfolk Holdings Limited. Mr Richards is the Chairman of ASX listed mining equipment rental group Emeco (ASX: EHL), Chairman of Graincorp Limited, and Chairman of Cirralto Limited. During his time at Dyno Nobel, Mr Richards held a number of senior positions with the North American and Asia Pacific business, before being appointed as Chief Executive Officer in Australia (2005 to 2008). Mr Richards was a Non-Executive Director (2009 to 2015) of Bradken Limited and a Non-Executive Director (2010 to 2015) of Sedgman Limited.

(b) **Mr David Mendelawitz - Chief Executive Officer and Managing Director**

Mr Mendelawitz has 25 years international experience in exploration, mining and commerce. His most recent role prior to joining Elmore was as founder and Managing Director of Cleveland Mining Company, where for almost 10 years he oversaw the establishment of the Company, discovery of a range of minerals in Brazil and Chile, and establishment of a gold mine and processing plant in central Brazil. Prior to this role, Mr Mendelawitz was Head of Business Improvement at Fortescue Metals Group Ltd., in which he drove projects 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. Mr Mendelawitz then became the Registered Manager of Mining during the trial mining operations as part of the \$140 million feasibility study conducted over the project.

**(c) Dr Nik Senapati - Non-Executive Director**

Dr Senapati is the President of the Australia India Business Council in Queensland. Nik is also the Honorary Advisor to the Federation of Indian Chambers of Commerce and Industry (FICCI) in Australia and is an Advisor to Dua Associates and Consulting in New Delhi. Until 2015 Nik was country head (MD) 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 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.

**(d) Mr Tim Webster - Non-Executive Director**

Tim is a highly experienced engineer and is currently Project Delivery Manager with Wood, a company with +55,000 staff worldwide, across a broad range of industrial markets. He was involved in supporting the construction of the \$1+ billion Kemerton Lithium Hydroxide plant, while prior to this was the EPC Project Director for the Amec FosterWheeler / CIVMEC joint venture at the Gold Roads / Goldfields JV Gruyere Project. Tim has over 30 years' experience in various industries including operations management, project and construction management, and broader project engineering.

## **5.3 Company Secretary**

### **Sean Henbury - Company Secretary**

FCA, FITA

Mr Henbury has over 23 years' experience in public practice with three of Perth's major Accounting firms. Mr Henbury has been responsible for the due diligence process and preparation of prospectuses on a number of initial public offers. Mr Henbury's experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements. Mr Henbury is a Fellow of Chartered Accountants Australia and New Zealand, a Chartered Tax Advisor and Member of the Tax Institute.

Mr Henbury has served on the board and acted as Company Secretary for numerous ASX listed companies, he is currently Company Secretary of NSL Consolidated Ltd and Kangaroo Resources Limited.

## **5.4 Interests of Directors**

Except as disclosed in this Prospectus, no Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Public Offer; or
- (c) the Public Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director, or proposed director, to induce him or her to become, or to qualify as, a Director; or
- (e) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Public Offer.

## 5.5 Security holdings of Directors

The Directors and their related entities have the following interests in Securities as at the date of this Prospectus:

Director	Shares	% <sup>1</sup>	Options	% <sup>1</sup>
Mr Peter Richards	5,733,962	1.87	2,000,000	31.58%
Mr David Mendelawitz	-	-	-	-
Dr Nik Senapati	-	-	2,000,000	31.58%
Mr Tim Webster	9,922,074	3.23	2,000,000	31.58%

### Notes:

- Based on 307,129,182 Shares and 6,333,334 Options being on issue at the date of this Prospectus.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Public Offer, the Directors and their related entities will have the following interests in Securities on Re-Admission:

Director	Shares	% <sup>1</sup>	Options <sup>1</sup>	%
Mr Peter Richards	13,233,962	2.24%	2,000,000	31.58%
Mr David Mendelawitz	-	-	-	-
Dr Nik Senapati	5,000,000	0.85%	2,000,000	31.58%
Mr Tim Webster	16,172,074	2.74%	2,000,000	31.58%

### Notes:

1. Based on there being 590,475,074 Shares and 6,333,334 Options on issue at Re-Admission, which assumes the maximum subscription under the Public Offer, no further Shares are issued or Options exercised, other than as described in this Prospectus.
- 

## **5.6 Remuneration of Directors**

Messrs Richards was appointed as the Chairman on 31 August 2018.

Dr Nik Senapati was appointed as a Non-Executive Director on 28 September 2018.

Mr David Mendelawitz was appointed as Managing Director on 12 October 2018.

Mr Tim Webster was appointed as a Non-Executive Director on 1 June 2020.

Pursuant to the Constitution non-executive directors may be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting for services provided to the Company as a non-executive director. At the date of this Prospectus the maximum limit is \$250,000, which is to be divided among the non-executive directors and in default of agreement, then in equal shares. The Chairman's and non-executive directors' annual remuneration is \$60,000 and \$48,000 (inclusive of superannuation) respectively.

The remuneration accrues and becomes payable from monthly in arrears. See Section 6.4(d) for further details.

## **5.7 Related Party Transactions**

The Company has entered into the following related party transactions on arms' length terms:

- (a) executive consultancy agreement or letters of appointment with each of its Directors on standard terms (refer to Section 6.3 for details);

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

## **5.8 ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(a) **Board of Directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's Shares;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and the Company has in place written agreements with each Director which detail the terms of their appointment.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of one Executive Director, and three Non-Executive Directors. The Board considers that Dr Nik Senapati is independent.

As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.



**(c) Identification and management of risk**

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

**(d) Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

**(e) Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

**(f) Remuneration arrangements**

The remuneration of any Executive Director will be decided by the Board and must not be calculated as a commission on, or percentage of, operating revenue.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as Options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

**(g) Securities trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

**(h) Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. However, given the current stage of

the Company's operations and number of employees the Company has determined at this stage not to formally adopt a diversity policy. The Company will re-assess this as the Company grows.

**(i) Audit and risk**

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

**(j) External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

**(k) Social media policy**

The Board has adopted a social media policy to regulate the use of social media by people associated with the Company or its subsidiaries to preserve the Company's reputation and integrity. The policy outlines requirements for compliance with confidentiality, governance, legal, privacy and regulatory parameters when using social media to conduct Company business.

## **5.9 Departures from Recommendations**

Following Re-Admission, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Principle 1	Lay solid foundations for management and oversight												
1.1	A listed entity should disclose: a) the functions reserved to the board and those delegated to senior management; and b) Those matters expressly reserved to the board and those delegated to management.												
Company response	The Company has formalised and disclosed the functions reserved to the board and those delegated to management. These functions can be viewed at the Company’s website: <a href="http://www.elmoreltd.com.au">www.elmoreltd.com.au</a> The Company board comprises four directors, being one executive and three non-executive Directors. The roles and functions of directors within the Company are designed to allow it to best function within its level of available resources. The full board currently meets regularly, and specific significant matters are authorised and/or resolved via circular resolution												
1.2	A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.												
Company response	The Company analyses and reviews the qualifications and experience of any potential candidate. Background checks are performed where deemed appropriate for the position, including speaking with personal and professional references. The Company provides biographical details of proposed directors, as well as information relating to other directorships and interest which may reasonably be perceived to influence their capacity to bring independent judgement to the board.												
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.												
Company response	Each director and senior executive has a written contract that sets out the terms of their appointment, including their responsibilities and remuneration.												
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.												
Company response	The joint company secretaries are directly accountable to the board. Communication between the board and the company secretaries are encouraged and matters of corporate governance and compliance are a standing agenda item for board discussion. Professional development of directors, officers and management are encouraged by the Company and facilitated through the company secretaries. The Company adopts a policy of circulating board minutes at the earliest possible opportunity following the board meetings, to expedite the formalisation of items discussed at the meetings.												
1.5	A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either; 1. the respective proportions of men and women on the board, in senior management positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or 2. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.												
Company response	The Company is an equal opportunity employer and strives to foster diversity across the organisation. The Company has adopted a diversity policy that is disclosed on its Company website. Due to the current size, nature and scale of the Company’s activities the Board has not yet developed measurable objectives regarding gender diversity. As the size and scale of the Company grows the Board will set and aim to achieve gender diversity objectives as director and senior executive positions become vacant and appropriately qualified candidates become available. As at the end of the year, the Company had the following proportion of men and women across the organisation: <table><tr><td></td><td>Men</td><td>Women</td></tr><tr><td>Board</td><td>3</td><td>-</td></tr><tr><td>Senior Executives</td><td>3</td><td>-</td></tr><tr><td>Whole Organisation</td><td>145</td><td>3</td></tr></table>		Men	Women	Board	3	-	Senior Executives	3	-	Whole Organisation	145	3
	Men	Women											
Board	3	-											
Senior Executives	3	-											
Whole Organisation	145	3											
1.6	A listed entity should: a) have and disclose the process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.												
Company response	The Company undertakes an annual review of its board, and of individual directors. The review is a peer review, and the process is managed by the Chairman of the Board. Feedback in relation to the performance of the Board as a whole is tabled at the meeting following the review.												

1.7	<p>A listed entity should:</p> <ol style="list-style-type: none"> <li>a) have and disclose a process for periodically evaluating the performance of senior executives; and</li> <li>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ol>
Company response	<p>Currently, the Company engages all senior executives under executive service agreements or employment agreements. The Company has informal and regular performance evaluation processes and undertakes reviews of its senior executives annually.</p>
<b>Principle 2</b>	<b>Structure the board to add value</b>
2.1	<p>The board of a listed entity should:</p> <ol style="list-style-type: none"> <li>a) have a nomination committee which: <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> </ol> <p>and disclose</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>5. as at the end of the reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> </li> <li>b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</li> </ol>
Company response	<p>The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is satisfactory and full details of all Directors are provided to shareholders in the annual report and on the Company's website.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>

Company response	The current mix of board skills is represented in the matrix below:				
	<b>Skill</b>	<b>Skill Overview</b>	<b>Director A</b>	<b>Director B</b>	<b>Director C</b>
	Mineral Exploration	Ability to identify and evaluate resource opportunities, undertake due diligence on resource acquisitions, plan and oversee exploration programs, and understand and evaluate JORC reporting, oversee and evaluate laboratory testing of mineral resources.	1	1	4
	Project Development	Ability to use human and financial resources to develop and oversee project development to first production including managing budgets, sourcing and hiring appropriate personnel and overseeing the establishment of appropriate mining policies.	2	4	5
	Mining & Operations	Experience with mining operations, management of mining equipment and human capital, including health and safety. Ability to analyse mining operations and make decisions to maximize profitability.	3	1	3
	Risk & Compliance	Identify key risks to the organisation related to each key area of operations. Ability to monitor risk and compliance and knowledge of legal and regulatory requirements. Ability to prepare and review ASX compliant press releases and continuous reporting obligations.	4	4	5
	Financial & Audit	Experience in accounting and finance to analyse financial statements, assess financial viability, contribute to financial planning, oversee budgets, and oversee funding arrangements.	5	4	4
	Strategy	Ability to identify and critically assess strategic opportunities and threats to the organisation. Develop strategies in context to our policies and business cycles.	5	4	5
	Governance & Policy Development	Ability to identify key issues for the organisation and develop appropriate policy parameters within which the organisation should operate. Ability to manage conflicts of interest to ensure shareholders benefit.	4	5	5
2.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>a) the names of the directors considered by the board to be independent directors;</li> <li>b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</li> <li>c) the length of service of each director.</li> </ul>				
Company response	The Board considers its three directors, namely, Mr Peter Richards, Mr Peter Linford and Mr Raymond Betros, to be independent directors. Director appointment and resignation dates are disclosed in the Company's annual report.				
2.4	A majority of the board of a listed entity should be independent directors.				
Company response	The Company does currently comply with this recommendation.				
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.				
Company response	The chair of the board, Mr Peter Richards is considered an independent director and does not hold the CEO role.				

2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.
Company response	The Company Secretaries ensure that all new directors are inducted into the Company. Upon commencement, the director formalises a letter of appointment setting out the terms of their appointment and is provided with a 'Corporate Governance Pack' containing the Company's Constitution, Corporate Governance Policies and details of the Company's directors' and officers' insurance policies.  The skill set of the Board is monitored regularly by the Board as a whole, taking into consideration the stage of development of the Company's assets, and the limited capital available to the Company.
<b>Principle 3</b>	<b>Act ethically and responsibly</b>
3.1	A listed entity should: <ul style="list-style-type: none"> <li>a) have a code of conduct for its directors, senior executives and employees; and</li> <li>b) disclose that code or a summary of it.</li> </ul>
Company response	The Company has adopted a code of conduct which outlines the behaviour expected of directors, contractors and employees. The code of conduct can be viewed on the Company's website <a href="http://www.elmoreltd.com.au">www.elmoreltd.com.au</a>
<b>Principle 4</b>	<b>Safeguard integrity in corporate reporting</b>
4.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which: <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> </ul> </li> <li>(1) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner</li> </ul>
Company response	The Board does not have a separate audit committee, instead, the roles and responsibilities of the audit committee are undertaken by the Board as a whole.  The Board has adopted an audit committee charter to assist in defining the roles and responsibilities of the Board as it acts in the capacity of an audit committee. The charter is available on the Company's website <a href="http://www.elmoreltd.com.au">www.elmoreltd.com.au</a>  The charter considers the rotation of audit engagement partners.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Company response	The Company obtains a declaration from the CEO and CFO (or the persons acting in those capacities) prior to the completion of its half year and annual financial statements.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Company response	The Company ensures that its external auditor attends its AGM and time is set aside for the shareholders to ask questions of the auditor.
<b>Principle 5</b>	<b>Make timely and balanced disclosure</b>
5.1	A listed entity should: <ul style="list-style-type: none"> <li>a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>b) disclose that policy or a summary of it.</li> </ul>
Company response	The Company has a Continuous Disclosure Policy that forms part of its Corporate Governance Policies, which is available on the Company's website <a href="http://www.elmoreltd.com.au">www.elmoreltd.com.au</a> Continuous Disclosure is a standard agenda item which is considered and discussed at each board meeting.
<b>Principle 6</b>	<b>Respect the rights of security holders</b>
6.1	A listed entity should provide information about itself and its governance to investors via its website.
Company response	The Company's website contains comprehensive details about the Company, its directors and management and its operations. All Company announcements, as well as its annual and half year financial reports and quarterly activities and cash flow report can be located through the website <a href="http://www.elmoreltd.com.au">www.elmoreltd.com.au</a>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Company response	The Company has adopted a Shareholder Communication Policy as part of its Corporate Governance Policies.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.
Company response	The Company considers the country of residency of its shareholders when determining the most appropriate location to hold its shareholder meetings. Time is set aside at each meeting whereby attendees are encouraged to query the Board on operational and financial items.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.
Company response	To the extent permissible by law, the Company sends all communication electronically in an effort to reduce its environmental footprint. As new shareholders join the Company, they are invited to communicate with the Company and the share registry electronically.
<b>Principle 7</b>	<b>Recognise and manage risk</b>
7.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which:             <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director,</li> </ul> </li> <li>and disclose:             <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework</li> </ul>
Company response	The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.
7.2	The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>
Company response	The Board reviews its risk assessment and management framework annually. The Board considers the risk management process to be adequate for its stage of development.
7.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul>
Company response	The Company does not have an internal audit function. Internal control measures currently adopted by the Board include: <ul style="list-style-type: none"> <li>• weekly reporting to the Board in respect of operations and cash status and monthly reporting in respect of the Company's financial position, with a comparison of actual results against budget; and</li> <li>• regular reports to the Board by members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.</li> </ul>
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.
Company response	The Company is a mineral exploration and development company and is inherently exposed to the economic, environmental and social sustainability risks that are associated with its industry. The Company carefully considers its operations and their impact on the environment and local communities and engages extensively with local communities and first nations groups. The Company has no formal hedging policy for its foreign currency expenditure and is exposed to fluctuations in the exchange rates of the Australian Dollar, the Singapore Dollar, the United States Dollar and the Indian Rupee. Exchange rates are monitored closely by senior management and treasury decisions are made on an opportunistic basis.

Principle 8	Remunerate fairly and responsibly
8.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have a remuneration committee which: <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</li> </ul>
Company response	<p>The Board has not established a separate Remuneration Committee due to the size and scale of its operations, however the Board as a whole takes responsibility for such issues.</p> <p>The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the Managing Director's performance.</p> <p>The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>
Company response	<p>In accordance with best practice corporate governance, the structure of Non-Executive Directors is separate and distinct from Executive Directors and Senior Executives.</p> <p>In determining remuneration, the Board holds special meetings as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</li> <li>b) disclose the policy or a summary of it.</li> </ul>
Company response	<p>The Company has both an employee share plan and an employee share option plan in place. Neither of the plans contain a policy as to whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme.</p>



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## 6. MATERIAL CONTRACTS

### 6.1 Introduction

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Securities under the Public Offer. The provisions of such material contracts are summarised in this Section.

### 6.2 Peko Agreement

The Company, as processor, and ICA Mining Pty Ltd (ACN 629 874 246) (**Miner**) are party to an agreement made on the 9<sup>th</sup> day of January 2020 and restated on the 16<sup>th</sup> day of July 2020, whereby the Miner will mine the ROM and deliver the ore to the ROM Stockpile and the Processor will treat the ore in accordance with the terms and conditions as set out therein (**Peko Agreement**).

The terms and current status of the Peko agreement are set out in more detail in section 2.5 under (Overview of Business Operations)

### 6.3 Territory Minerals Agreement

The Company, as the processor, and Territory Minerals Trading Ltd (ACN 121 200 299) (**Territory**) are parties to the Minerals Processing Agreement dated 15<sup>th</sup> day of January 2021 (**TM Agreement**). Subject to satisfaction or waiver of the Conditions (summarised below), within 180 days thereof the Company will commence providing the processing services in accordance with the TM Agreement for a term of 30 months (**Service Commencement Date**).

The Company's and Territory's obligations under the TM Agreement are subject to and conditional upon the satisfaction by Territory or waiver by the relevant favouree(s), as named in the TM Agreement, of the following conditions:

- i. by 15 October 2021, the creation and joint approval of a project implementation schedule between the parties, with all major milestones and documents leading to production, including, amongst other items, licensing, completion of a mutually agreed mine plan combined with sufficient drilling and metallurgical test-work to accurately represent the proposed mine plan, process flow design, procurement, construction and commissioning of process plant and commencement of processing. Each party agrees to negotiate the terms of any further schedule or agreement under this condition in good faith and not to unreasonably withhold or delay consent;
- ii. by 15 January 2022:
  1. Territory is to have procured the issuance of all Permits (as that term is defined therein) on terms reasonably acceptable to the Company;
  2. Territory is to execute an agreement with a Mining Contractor (as that term is defined therein) on terms absolutely acceptable to Territory; and

3. Territory raising such working capital (by way of debt, equity or both) as it considers necessary to fund its obligations under the TM Agreement.

Under the TM Agreement, Territory, the owner of the tenements, grants the Company an exclusive licence to occupy a specific area of its tenements to undertake its mineral processing work.

The Company will treat the minerals subject to the terms and conditions of the TM Agreement and deliver to a location for storage.

The Company will be the sole Company of ore over the tenements subject to if Territory engages a specialist heap leach operator to process low grade ore, the Company must agree to negotiate the relevant parts of the Territory Agreement in order to permit that engagement to occur in a manner that does not materially affect the rights, responsibilities, risks or rewards of the Company under the Territory Minerals Agreement.

Territory must mine minerals in accordance with the mine plan and stockpile them ready for the Company to process. Territory must deliver the Minimum Monthly Throughput of 36,000 tonnes per month bearing ore to be provided to the Company commencing one month after the Service Commencement Date.

Territory will remunerate the Company for its processing services in accordance with the TM Agreement, with such remuneration secured by an all-present and after acquire property security interest of the assets of Territory pursuant to a general security agreement between the Company and Territory.

A summary of the remuneration under the TM Agreement:

- iii. Fixed Processing Fee of \$40 plus GST per tonne of ore processed;
- iv. Recovery Royalty received in either gold or cash at the Company's discretion equal to 8% of any gold recovered above 1.5 grams per tonne in-feed; and
- v. Gold security and Transportation of Cost (as defined in the TM Agreement) plus 10%.

## 6.4 Director agreements

### (a) Service Agreement - Mr David Mendelawitz

On 15 October 2018 the Company entered into a service agreement with Mr David Mendelawitz (**Mendelawitz Agreement**).

Under the Mendelawitz Agreement, Mr Mendelawitz is engaged by the Company to provide executive services to the Company as Executive Director and to act as the Chief Executive Officer of the Company. The Company will remunerate Mr Mendelawitz for his services with an executive remuneration package comprising the following:

- (i) a salary of \$325,000 (excluding superannuation) per annum, reviewed annually (**Annual Salary**); and

- (ii) up to 47,000,000 Director Incentive Shares to be issued on the terms and conditions set in Section 7.14 and calculated in accordance with the below.

On 5 July 2019 the then shareholders of the Company consented to award Mr Mendelawitz with up to 47,000,000 production incentive shares, short term incentive shares and long term incentive shares. Due to the change of business focus since that date, no incentive shares have been issued and a new incentive plan was approved by shareholders at the 2020 Annual General Meeting held on 29 January 2021.

Details of the way in which the number of Director Incentive Shares to be issued to Mr Mendelawitz will be as follows:

- (a) the maximum number of Plan Securities to be issued to Mr Mendelawitz (or his nominee) is 47,000,000 Shares, being:
  - (i) **(Project Incentive)** 15,000,000 Shares, subject to the following:
    - (A) 7,500,000 Shares to be issued 3 months after the date on which the Company achieves a positive cash flow in three consecutive months;
    - (B) 7,500,000 Shares to be issued 3 months after the date on which the Company achieves profitability in any 6 month accounting period; and
  - (ii) **(Short Term Incentive)** 15,750,000 Shares (in the event that the Company's operational requirements require an allocation of Shares rather than a cash payment) as Short Term Incentives under the Plan over the period of three (3) years following the passing of Resolution 6, subject to each of the conditions being satisfied (excluding the 6 month waiting period in respect of each of those conditions), and based on the following:
    - (A) Mr Mendelawitz qualifying for the maximum Short Term Incentive entitlement payable under the Plan in each year (being 60% of his base salary, subject to the Company achieving 100% of its budgeted Earnings before interest and taxation (EBIT) for the relevant financial year, and an additional 1% of his base salary for each 1% exceeding 100% of the Company's budgeted EBIT, up to a maximum of an additional 25% of his base salary);
    - (B) Mr Mendelawitz's current base salary of \$325,000 per annum potentially increasing over that three (3) year period up to \$350,000 in the year ending 30 June 2021 and \$375,000 in the year ending 30 June 2022<sup>1</sup>;
    - (C) a notional share price of \$0.04 has been used for the purposes of calculating the maximum number of 15,750,000 Shares to be issued to Mr Mendelawitz over the period of three (3) years following the passing of Resolution 6. If the Company's share price increases over the period of three (3) years following the passing of Resolution 6, the maximum number of Shares that may be issued to Mr Mendelawitz as

Short Term Incentives under the Plan will be less than 15,750,000 Shares;

- (D) the issue price for Shares as Short Term Incentives under the Plan is the volume weighted average price of the Company's Shares on the first five trading days of July following the conclusion of the financial year in respect of which the Short Term Incentive entitlement is to be determined; and
- (E) where a Short Term Incentive entitlement arises in respect of a financial year, the entitlement will not be paid (and shares will not be issued) until the Company's auditors have issued an unqualified audit opinion in respect of the relevant financial year. Mr Mendelawitz's salary for the relevant periods will be reported to Shareholders in the Company's Remuneration Report in accordance with the Corporations Act;

**Note:**

<sup>1</sup> The quoted amounts of \$350,000 and \$375,000 for Mr Mendelawitz's base salary in respect of the years ending 30 June 2021 and 30 June 2022 are indicative only and have been used purely for the purposes of calculating the maximum number of Shares that may be issued to Mr Mendelawitz as Short Term Incentives under the Plan pursuant to Resolution 6. The Directors of the Company are not bound to increase Mr Mendelawitz's base salary to these amounts, nor are the Directors of the Company constrained to limit Mr Mendelawitz's base salary to these amounts. If, and to the extent that, Mr Mendelawitz's base salary exceeds the quoted amounts of \$350,000 and \$375,000 in respect of the years ending 30 June 2021 and 30 June 2022 respectively, and consequently his entitlement to Shares as Short Term Incentives under the Plan may exceed the maximum number of Shares approved by Shareholders pursuant to Resolution 6, the Company will reduce the number of Shares issued as Short Term Incentives under the Plan to comply with that cap and will gross up the cash component of Mr Mendelawitz's entitlement. For a full explanation of the philosophy of the Directors in relation to remuneration, Shareholders are referred to the Remuneration Report which commences on page 12 of the Company's 2019 Annual Report.

- (iii) **(Long Term Incentive)** 16,250,000 Shares as Long Term Incentives under the Plan over the period of three (3) years following the passing of Resolution 6, subject to each of the conditions set out in section 4.4(a)(i)(A) - (C) above being satisfied (excluding the 6 month waiting period in respect of each of those conditions), and based on the following:
  - (A) Mr Mendelawitz qualifying for the maximum Long Term Incentive entitlement payable under the Plan in each year (being 200% of his base salary of \$325,000 for the financial year ending 30 June 2020, divided into 3 equal parts over 3 years, subject to the Company achieving its total shareholder return target for the relevant financial year);
  - (B) a notional share price of \$0.04 has been used for the purposes of calculating the maximum number of 16,250,000 Shares to be issued to Mr Mendelawitz over the period of three (3) years following the passing of Resolution 6. If the Company's share price increases over the period of three (3) years following the passing of Resolution 6, the maximum number of Shares that may be issued to Mr Mendelawitz as

Long Term Incentives under the Plan will be less than 16,250,000 Shares;

- (C) the issue price for Shares as Long Term Incentives under the Plan is the volume weighted average price of the Company's Shares on the first five trading days of July following the conclusion of the financial year in respect of which the Long Term Incentive entitlement is to be determined;
- (D) where a Long Term Incentive entitlement arises in respect of a financial year, the entitlement will not be paid (and shares will not be issued) until the Company's auditors have issued an unqualified audit opinion in respect of the relevant financial year; and
- (E) where a Long Term Incentive entitlement arises in respect of a financial year, the entitlement will vest 12 months after the Company's auditors have issued an unqualified audit opinion in respect of the relevant financial year as contemplated in paragraph (D).

The terms of the Plan Securities will otherwise be governed by the rules of the Plan;

- (iii) the terms and conditions of the Director Options are set out in Section 7.14;

The Annual Salary and terms of the Mendelawitz Agreement will be reviewed on an annual basis by reference to (among other things) Mr Mendelawitz's personal performance and achievement of agreed key performance indicators.

Mr Mendelawitz is entitled to reimbursement for reasonable expenses necessarily incurred in the performance of his services as Executive Director.

The Mendelawitz Agreement is for an indefinite term, continuing until terminated by either the Company or Mr Mendelawitz giving 3 months' written notice of termination to the other party (or shorter period in limited circumstances).

As Executive Director, Mr Mendelawitz shall (amongst other things):

- (iv) be responsible for the overall management and supervision of the activities, operations and affairs of the Company subject to the overall control and direction of the Board;
- (v) be engaged as a consultant of the Company and during usual business hours and such additional hours in accordance with work demands; and
- (vi) use his best endeavours to promote the interests of the Company.

Mr Mendelawitz is also subject to restrictions in relation to the use of confidential information during and after his consultancy ceases. Mr Mendelawitz also warrants to immediately inform the Company of any matter that may come to his attention during the term of his consultancy that may be of interest to the Company or may be of service for the furtherance of the Company's business.

(b) **Service Agreement - Mr Peter Richards**

On 31 July 2009 the Company entered into a service agreement with Mr Peter Richards (**Richards Agreement**).

Mr Richards was granted 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.

(c) **Service Agreement - Dr Nik Senapati**

On 13 September 2018 the Company entered into a service agreement with Dr Nik Senapati (**Senapati Agreement**).

Dr Senapati was granted 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.

(d) **Service Agreement - Mr Tim Webster**

On 29 May 2020 the Company entered into a service agreement with Mr Tim Webster (**Webster Agreement**).

Under the Webster Agreement, Mr Webster is granted 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.

## **6.5 Brokerage Agreements**

The Company has entered into brokerage agreements with MP Capital Partners Pty Ltd to assist with the marketing of the Public Offer described in this Prospectus. Each such agreement is on the same terms being that the broker is to be paid / remunerated:

- (a) a commission of 6% of funds actually raised by the relevant broker; and
- (b) 2.5 million Broker Options\* per million dollars raised by the Broker.

Meaning that if the Public Offer is fully subscribed, the Company will pay total commission of \$270,000 and issue 11.25 million Broker Options.

\*The terms of Broker Options are fully described in section 7.11 below.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Rights attaching to Shares**

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising

from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
  - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
  - (ii) has one vote on a show of hands; and
  - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Subject to the Corporations Act and terms on which shares may be issued and the rights and restrictions attaching thereto, the Directors may in their absolute discretion from time to time declare a dividend on such terms and conditions as the Directors see fit and the Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is

given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
- (i) **(Future issue of securities):** Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

## 7.2 Terms and Conditions of Director Options

The Company has issued 6,000,000 Director Options to three directors of the Company, as approved at a meeting of shareholders on 29 January 2021.

The material terms and conditions of the Director Options are:

### (a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### (b) Exercise Price

The amount payable upon exercise of each Option will be:

- 200% of the 5-day volume weighted average price prior to grant date; or
- 200% of the price at which equity is raised, but no less than \$0.05. (**Exercise Price**)

### (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 May 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### (d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### (e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).



**(g) Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(i) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(k) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(l) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

### **7.3 Summary of the Company's Employee Option Plan**

The Company has an approved Company Employee Option Plan (**Plan**) which was approved at a meeting of shareholders on 29 January 2021.

The material terms and conditions of the ESOP are as follows:

- (a) **Eligibility:** Participants in the ESOP may be:
- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

**who is declared by the Board to be eligible to receive grants of Options under the ESOP (Eligible Participants).**

- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the ESOP and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the ESOP will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the ESOP or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Options due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Options, being:
    - (A) a Relevant Person ceasing to be an Eligible Participant due to:

1. death or Total or Permanent Disability of a Relevant Person; or
  2. Retirement or Redundancy of a Relevant Person;
- (B) a Relevant Person suffering Severe Financial Hardship;
- (C) any other circumstance stated to constitute “Special Circumstances” in the terms of the relevant Offer made to and accepted by the Participant; or
- (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
- (ii) a Change of Control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option;
  - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iii) in respect of unvested Option only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iv) in respect of vested Options only, a relevant person ceases to be an Eligible Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
  - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
  - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option;
  - (vii) the expiry date of the Option.

- (h) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer paragraph (i)) from the date of issue, rank on equal terms with all other Shares on issue.
- (i) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (j) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (k) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Options and subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (l) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (m) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the ESOP to effect the establishment of such a trust and the appointment of such a trustee.

## 7.4 Summary of the Company's Employee Share Plan

The Company has an approved Company Employee Share Plan which was approved at a meeting of shareholders on 29 January 2021.

The key terms of the Elmore Incentive Scheme (**Share Plan**) are as follows:

- (a) **Eligibility:** Participants in the Share Plan may be directors, employees or contractors of the Company or any of its subsidiaries or any other related body corporate of the Company (**Eligible Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Share Plan and has a broad discretion to determine which Eligible Participants will be offered Shares under the Share Plan.
- (c) **Invitation:** The Board may make an invitation to an Eligible Participant to participate in the Share Plan. The invitation:
  - (i) will invite application for the number of Shares specified in the invitation;

- (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
  - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Eligible Participant in accordance with the invitation;
  - (iv) will specify any restriction conditions applying to the Shares;
  - (v) will specify an acceptance period; and
  - (vi) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to the date Share Plan Shares are offered for issue under the Share Plan, or such other price as the Board determines.
- (e) **Renounceability:** Eligible Participants may renounce their Invitation in favour of an associate (the Eligible Participants and their associates are each Participants).
- (f) **Restriction Conditions:** Shares may be subject to restriction conditions relating to milestones (**Milestone Conditions**) (such as a period of employment) or escrow restrictions (**Escrow Conditions**) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Conditions**). Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Share Plan.
- (g) **Extension of Escrow Condition:** If an Eligible Participant ceases to be an Eligible Participant as a result of an occurrence other than certain bad leaver occurrences prior to the satisfaction of all Restriction Conditions, the escrow restriction applied under the Escrow Condition in relation to the Share Plan Shares held by the Participant will be extended by 6 months.
- (h) **Loan:** An Eligible Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
- (i) the Loan will be interest free unless the Company and the Participant agree otherwise;
  - (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
  - (iii) the Loan repayment date will be 5 years following the issue of Shares under the Share Plan and the manner for making such payments shall be determined by the Board and set out in the invitation;
  - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
  - (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to buy-back,

cancel or sell those Shares in accordance with the terms of the Share Plan;

- (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
  - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (i) **Unfulfilled Milestone Condition:** Where a Milestone Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company may, unless the Milestone Condition is waived by the Board, either:
- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act in consideration for the cancellation of any Loan granted; or
  - (ii) in the event that such a buy-back and cancellation of Shares cannot occur, require the Participant to sell the Shares as soon as reasonably practicable either on the ASX and give the Company the sale proceeds (**Sale Proceeds**), which the Company will apply in the following priority:
    - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
    - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
    - (C) lastly, any remainder to the Company to cover its costs of managing the Share Plan.
- (j) **Sale of Shares to Repay Loan:**
- (i) A Loan shall become repayable in full on the earlier of:
    - (A) 5 years following the issue of Shares under the Share Plan;
    - (B) the date determined under (ii) below;
    - (C) any Shares issued to the Participant in relation to the Loan being sold, transferred, assigned, mortgaged, charged or otherwise encumbered (unless any such actions were undertaken by or on behalf of the Company);
    - (D) the Participant suffering an event of insolvency;
    - (E) the Participant breaching any condition of the Loan or the Share Plan;
  - or

- (F) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- (ii) In the event that the Eligible Participant to whom the invitation was made ceases to be an Eligible Participant, the date for repayment of the Loan under paragraph 1.1(j)(i)(B) will subject to the Company buying back, cancelling or selling any Shares where the Eligible Participant ceases such a role for to certain bad leaver reasons (including acting fraudulently or dishonestly, being grossly negligent, demonstrating serious and wilful misconduct, or causing a material adverse effect on the reputation of the Company), be the later of:
  - (A) if all Restriction Conditions have been satisfied or waived, within 30 days;
  - (B) if a Milestone Condition in relation to Shares is not satisfied or waived, immediately. Such payment obligation shall be satisfied as set out in (A) above; or
  - (C) if all Milestone Conditions have been satisfied or waived, but the Escrow Condition has not been satisfied or waived, immediately upon satisfaction.
- (iii) Where a Loan becomes repayable under paragraph (j), other than paragraph 1.1(j)(i)(B) and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Company may elect to buy-back or cancel in consideration for cancellation of the Loan or sell the Shares, with the Sale Proceeds being applied to repay the Loan in accordance the Share Plan.
- (iv) Where a Loan in relation to Shares becomes repayable under paragraph 1.1(j), other than paragraphs 1.1(j)(i)(B) or 1.1(j)(i)(E) or 1.1(j)(ii)(B) and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company may buy-back, cancel or sell the Shares and, if sold, apply the Sale Proceeds in accordance with the Share Plan.
- (k) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each Director severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Share Plan.
- (l) **Restriction on Transfer:** Other than as specified in the Share Plan, Participants may not sell or otherwise deal with a Share until the Loan Amount in respect of that Share has been repaid and any Restriction Conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (m) **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.

**Rights Attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Share Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

## 7.5 Effect of the Public Offer on control and substantial Shareholders

Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below. See Section 2.2 for further details on each of the Shareholders' holdings as listed in the tables below.

Name	Shares	%
J P Morgan Nominees Australia Pty Limited	103,218,699	17.48%
Twynam Investments Pty Ltd	73,444,518	12.44%

\* If the Company is re-admitted to the Official List as a result of this Public Offer, the convertible note held by Twynam Investments Pty Ltd will automatically convert, meaning that Twynam will acquire a further 41,729,460 shares. Its percentage of the company at that time will depend on the number of shares subscribed under this Prospectus, but will be a minimum of 12.44% if this Public Offer is fully subscribed and 15.78% if only the minimum raise is achieved.

## 7.6 Interests of Promoters, Experts and Advisers

### (a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Public Offer; or
- (iii) the Public Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Public Offer.

### (b) Share Registry

Automic has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.



(c) **Auditor**

BDO Audit has been appointed to act as auditor to the Company. The Company has paid a fee of \$39,000 (excluding GST) for services in connection with the audited accounts of the Company for the year ended 30 June 2020. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO has received fees from the Company for the audit for the year ended 30 June 2019 of \$39,000.

(d) **Solicitors**

Mendelawitz Morton have acted as the Solicitors to the Company in relation to the Public Offer. The Company estimates it will pay MMCL a total of \$35,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, MMCL has provided other services to the Company.

(e) **Brokers**

MP Capital Partners Pty Ltd will act as Brokers to the Company. The Company estimates that it will pay the broker the following:

- (i) a commission of 6% of funds actually raised by the relevant broker; and
- (ii) 2.5 million Broker Options\* per million dollars raised by the Broker.

## **7.7 Consents**

(a) **General**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus.

Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below:

- (i) does not make the Public Offer;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and

- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

**(b) Share Registry**

Automatic has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

**(c) Auditor**

BDO Audit has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

**(d) Solicitors**

Mendelawitz Morton has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Solicitors to the Company in the form and context in which it is named.

## **7.8 Expenses of Public Offer**

The total approximate expenses of the Public Offer payable by the Company are:

<b>Items of expenditure</b>	<b>Maximum Subscription (\$)</b>
ASIC lodgement fee	\$71,542
Legal fees	\$35,000
Share registry fees	\$2,400
Capital raising fees	\$270,000
Printing, postage and administration fees	\$8,058
<b>TOTAL</b>	<b>\$387,000</b>

Notes:

## **7.9 Continuous Disclosure Obligations**

The Company is and will after Re-Admission continue to be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is and will continue to be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other

information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Previous market disclosures of the Company can be found at <https://www2.asx.com.au/markets/trade-our-cash-market/announcements.ele>

## **7.10 Litigation**

Other than as disclosed in this Prospectus, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

On or around 29 April 2019 the Company and Gold Valley Iron Pty Ltd (GVI) entered into a plant purchase agreement (**Purchase Agreement**), processing agreement (**Processing Agreement**) and a general security agreement (**Security Agreement**).

Under the Purchase Agreement the Company was to pay the purchase price in two instalments, the second instalment of \$1,000,000 plus GST (**Second Instalment**) was subject to GVI satisfying its obligations under the Processing Agreement. The company has received legal advice and is of the view that the \$1,000,000 plus GST is not owed and in fact that the Company is owed a considerable sum by GVI (which GVI does not have the capacity to pay). These matters are the subject of the litigation referred to below.

The Company terminated the Processing Agreement because it claimed that had been repudiated by GVI. It also took steps under its security agreement to have an external controller appointed to GVI.

On or around 10 December 2019 GVI served a writ on the Company seeking payment of the Second Instalment, which proceedings were subsequently suspended due to the appointment of external administrators to GVI. The Company and the external administrators of GVI are currently in negotiations, which negotiations are subject to confidentiality and professional privilege, of the terms of a Deed of Settlement and Release.

While negotiations continue, GVI and the Company have entered into a Deed of Forbearance whereby the Company has agreed to forbear from enforcing its rights under the Security Agreement.

## **7.11 Electronic Prospectus**

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any

relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

## **7.12 Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 7.6 of this Prospectus.

## **7.13 Broker Options**

The Broker Options entitle the holder (Option Holder) to subscribe for fully paid ordinary shares in the capital of the Company on the following terms:

- (a) Subject to sub-paragraph (c) each Broker Option gives the Option Holder the right to subscribe for one fully paid ordinary share in the capital of the Company (Share);
- (b) The Broker Option will expire at 5.00pm Perth time on the date which is three years from the date of this Prospectus (Expiry Date);
- (c) If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner that is consistent with that reconstruction, subject to the Corporations Act and the ASX listing rules;
- (d) The amount payable on the exercise of a Broker Option is \$0.03 (Exercise Price);
- (e) The Broker Options may be exercised in whole or in part, but if in part, must be exercised in multiples of 10,000;
- (f) An Option Holder may exercise their Broker Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Broker Options (Exercise Notice) specifying the number of Broker Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price;
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds;
- (h) The Broker Options are transferrable but will not be quoted on the ASX;
- (i) All Shares allotted upon the exercise of the Broker Options will upon allotment rank equally in all respects with all other Shares in the Company;
- (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Broker Options on the ASX within 2 Business Days after the date of allotment of those Shares;

- (k) The holders of Broker Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Option Holders the opportunity to exercise their Broker Options prior to the date for determining entitlements to participate in such issue.

#### 7.14 Director Incentive Shares - Mr David Mendelawitz

A summary of the terms and conditions of the Director Incentive Shares is set out below:

- (a) **(Vesting Condition):** The Performance Rights of each holder shall vest as follows:
  - (i) 50% of Maximum PIS payable on the Company achieving a positive cash flow in three consecutive months;
  - (ii) 50% of Maximum PIS payable on the Company achieving profitability in any 6 month accounting period;
- (b) **(Vesting):** Upon the Vesting Condition being satisfied, the Company shall notify the holder in writing that the relevant Performance Rights have vested (**Vested Performance Rights**).
- (c) **(Consideration):** The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights.
- (d) **(Automatic Vesting):** Upon satisfaction of the Vesting Condition, each Performance Right will automatically vest into one Share.
- (e) **(Lapse of a Performance Right):** A Performance Right will lapse upon the earlier to occur of:
  - (i) 12 months from the date of completion of the Project; or
  - (ii) the Performance Right lapsing in accordance with rule (f).
- (f) **(Ceasing to be an Eligible Holder):** If a holder ceases to be a consultant, contractor or employee of the Company, or a subsidiary of the Company, then:
  - (i) the Board must deem any unvested Performance Rights of the holder to have immediately lapsed and be forfeited; and
  - (ii) any Performance Rights that have vested will continue in existence in accordance with their terms of issue and any Shares issued on vesting will remain the property of the holder.
- (g) **(Other circumstances):** The Performance Rights will not lapse and be forfeited where the holder ceases to be a consultant, contractor or employee of the Company for one of the following reasons:
  - (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to work in his or her own or any occupation for which they are

suited by training, education, or experience for a period beyond one year); or

- (ii) any other reason that the Board determines is reasonable to permit the holder to retain his Performance Rights,

and in those circumstances the Performance Rights will continue to be subject to the Vesting Condition.

- (h) **(Takeover, Scheme of Arrangement or Change of Control):** The Performance Rights will automatically vest where:

- (i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the Shareholders of the Company approve the proposed compromise or arrangement at such meeting;

- (ii) a takeover bid:

- (A) is announced;

- (B) has become unconditional; and

- (C) the person making the takeover bid has a Relevant Interest (as that term is defined in the Corporations Act) in 50% or more of the Shares; or

- (iii) any person acquires a Relevant Interest (as that term is defined in the Corporations Act) in 50.1% or more of the Shares by any other means.

- (i) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

- (j) **(Listing of Shares on ASX):** The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.

- (k) **(Transfer of Performance Rights):** A Performance Right is only transferable:

- (i) with the consent of the Board; or

- (ii) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.

- (l) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

- (m) **(Adjustment for bonus issue):** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which

each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.

- (n) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the Vesting Condition) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

## 7.15 Terms and Conditions of Betros Director Options

The Company has issued 333,334 Director Options to Ray Betros, a former director of the Company, as approved at a meeting of shareholders on 28 June 2018.

The material terms and conditions of the Director Options are:

### (a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### (b) Exercise Price

The amount payable upon exercise of each Option will be \$0.2091. (**Exercise Price**)

### (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 28 June 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### (d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### (e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### (g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (iv) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (v) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (vi) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(i) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(k) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(l) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## **7.16 Statement of Directors**

The Directors report that after due enquiries by them, in their opinion, since the date of the pro forma financial statements included in this Prospectus, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.



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**8. AUTHORISATION**

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to be 'DM', written over a faint dotted line.

**Mr David Mendelawitz**  
**Director**  
Dated: 23 February 2021

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## 9. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**AWST** means Australian Western Standard Time, being the time in Perth, Western Australia.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Shares pursuant to this Prospectus.

**Application Form** means the Application Form accompanying this Prospectus in respect of the Public Offer.

**Application Monies** means application monies for Shares under the Public Offer received and banked by the Company.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Rules** means ASX Settlement Operating Rules of ASX Settlement.

**Auditor** means BDO Audit.

**Automic** means Automic Registry Services Pty Limited ACN 152 260 814.

**Board** means the board of Directors of the Company as at the date of this Prospectus.

**BDO Audit** means BDO Audit (WA) Pty Limited ACN 112 284 787).

**CHESS** means the Clearing House Electronic Sub-register System operated by ASX Settlement.

**Closing Date** means the date that the Public Offer closes which is 5.00pm (AWST) on 9 March 2021 or such other time and date as the Board determines.

**Company** means Elmore Ltd ACN 057 140 922.

**Company Secretary** means the secretary of the Company, as named in the Corporate Directory.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Department** means the Department of Mines and Petroleum, Government of Western Australia.

**Director Options** means the 6,000,000 Options issued to the directors on 22 February 2021 on the terms and conditions set out in Section 7.2.

**Directors** means the directors of the Company.

**Electronic Prospectus** means the electronic copy of this Prospectus located at the Company's website [www.elmoreltd.com.au](http://www.elmoreltd.com.au).

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus with ASIC, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

**GST** means Goods and Services Tax.

**Indicative Timetable** means the indicative timetable for the Public Offer on page viii of this Prospectus.

**Issue Date** means the date, as determined by the Directors, on which the Shares offered under Public Offer are issued, which is anticipated to be the date identified in the Indicative Timetable.

**Listing Rules** means the listing rules of ASX.

**Mendelawitz Morton** means MM Legal Pty Ltd ACN 111 414 629 trading as Mendelawitz Morton Commercial Lawyers.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation of the Shares by ASX in accordance with the Listing Rules.

**Opening Date** means the date specified as the opening date of the Public Offer in the Indicative Timetable.

**Processing Agreements** means collectively the Peko Agreement and the Territory Minerals Agreement.

**Prospectus** means this prospectus dated 23 February 2021.

**Public Offer or Offer** means the offer of a maximum of 252,095,892 Shares at \$0.02 each to raise \$5,000,000 (before associated costs).

**Public Offer Price** means \$0.02 per Share under the Public Offer.

**Re-Admission** means re-admission of the Company to the Official List, following completion of the Public Offer.

**Section** means a section of this Prospectus.

**Securities** means any and all issued shares in the capital of the Company and options granted as at the relevant time.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Automic.

**Shareholder** means a holder of one or more Shares.

**Solicitors** means Mendelawitz Morton.

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**10. APPLICATION FORM**

Your Application Form must be received by no later than:  
**9 March 2021**  
**(unless extended or closed earlier)**

## Application Options:

### Option A: Apply Online and Pay Electronically (Recommended)

Apply online at: <https://investor.automic.com.au/#/w/elmoreltd>

- ✓ **Pay electronically:** Applying online allows you to pay electronically, via **BPAY®** or **EFT** (Electronic Funds Transfer).
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your application has been successfully processed.



To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the URL above into your browser.

### Option B: Standard Application and Pay by Cheque

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on page 2 of the form.

### 1. Number of Shares applied for

			/				/			
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Application payment (multiply box 1 by \$0.02 per Share)

A\$   /    /    .

Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (100,000 Shares) and thereafter, in multiples of \$500 worth of Shares (25,000 Shares).

2. Applicant name(s) and postal address (Refer to Naming Standards overleaf)

[illegible]

Post Code:

### 3. Contact details

Telephone Number

Telephone Number: ( )

Contact Name (PLEASE PRINT)

Contact Name (PLEASE PRINT)

Email Address

\_\_\_\_\_

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

#### 4. CHESS Holders Only – Holder Identification Number (HIN)

[illegible]

**Note:** if the name and address details in section 2 does not match exactly with your registration details held at CHES, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

## 5. TFN/ABN/Exemption Code

Applicant #1

[illegible]

Applicant #2

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Applicant #3

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If NOT an individual TFN/ABN, please note the type in the box  
C = Company; P = Partnership; T = Trust; S = Super Fund

**YOUR PRIVACY**

Automatic Pty Ltd (ACN 152 260 814) trading as Automatic Group advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – [www.automic.com.au](http://www.automic.com.au)

## CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

## INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for Fully Paid Ordinary Shares in Elmore Ltd (**Company**) made under the terms set out in the Prospectus dated 23 February 2021.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

- Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for.  
Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (100,000 Shares) and thereafter, in multiples of \$500 worth of Shares (25,000 Shares).
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (WST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/-/home>
- CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESS subregister, enter your CHESS "Holder Identification Number" ('HIN'). Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ('SRN') will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to "Elmore Ltd" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (WST) on the Closing Date by being delivered or mailed to the address set out in the instructions below.  
Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 2:00pm (WST) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

## DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of ages;
- Agree to be bound by the constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

## LODGEMENT INSTRUCTIONS

The Public Offer opens on 2 March 2021 and is expected to close on 9 March 2021. The Directors reserve the right to close the offer at any time once sufficient funds are received. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

### Paper Application and Cheques

**By Post:**  
Elmore Ltd  
C/- Automic Group  
GPO Box 5193  
SYDNEY NSW 2001

or

**By Hand Delivery:**  
Elmore Ltd  
C/- Automic Group  
Level 2, 267 St Georges Terrace  
PERTH WA 6000

### Online Applications and BPAY® or EFT Payments

**Online:**  
<https://investor.automic.com.au/#/w/elmoreltd>

## ASSISTANCE

Need help with your application, no problem. Please contact Automic on:



**PHONE:**  
1300 288 664 within Australia  
+61 (2) 9698 5414 from outside Australia



**LIVE WECHAT:**  
Go to [www.automicgroup.com.au](http://www.automicgroup.com.au)



**EMAIL:**  
[corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au)

