



**ASX: ELE**

## **QUARTERLY ACTIVITIES REPORT**

**31 March 2021**

Elmore Limited (the "Company" or "Elmore") (ASX: ELE) is pleased to provide its quarterly activities report for the period ended 31 March 2021.

### **OPERATIONS**

#### **Peko Tailings Project**

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

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

Equipment procured for the plant is progressively arriving or completing refurbishment. Elmore is still awaiting the construction of the plant to commence, though has been reassured by ICA that it will commence within H1 2021. Construction lead time will be short due to the simple nature of the plant and pre-existing infrastructure.

In addition to the current \$100,000 monthly retainer, Elmore is entitled to \$2 per tonne royalty. ICA are targeting 500,000 tonnes per annum of magnetite concentrate.

#### **Territory Minerals Trading Projects**

During the quarter, Elmore continued to work with Territory Minerals Trading Ltd ("Territory") to prepare to commence operations on Territory's suite of gold and antimony projects in the Hodgkinson Basin, far north Queensland.

The projects are located in two main regions:

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

Target commencement of production is H1 2022.

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## **Fixed Crushing Plant Conversion**

Subsequent to the capital raising undertaken by Elmore, work has recommenced on mobilising the Company's fixed crushing and screening plant from the Northern Territory to Western Australia. A preliminary design has been completed for converting the fixed plant into moveable plant, a construction laydown area has been leased just north of Perth in Muchea and trucks are currently on the road bringing plant and equipment to site.

By the end of the first week of May it is expected that at least 8 road train trailers carrying circa 100 tonnes of steel work will have been delivered to site, with over 100 tonnes of mechanical equipment delivered shortly afterwards. All electrical motors and the motor control centre are already in Perth.

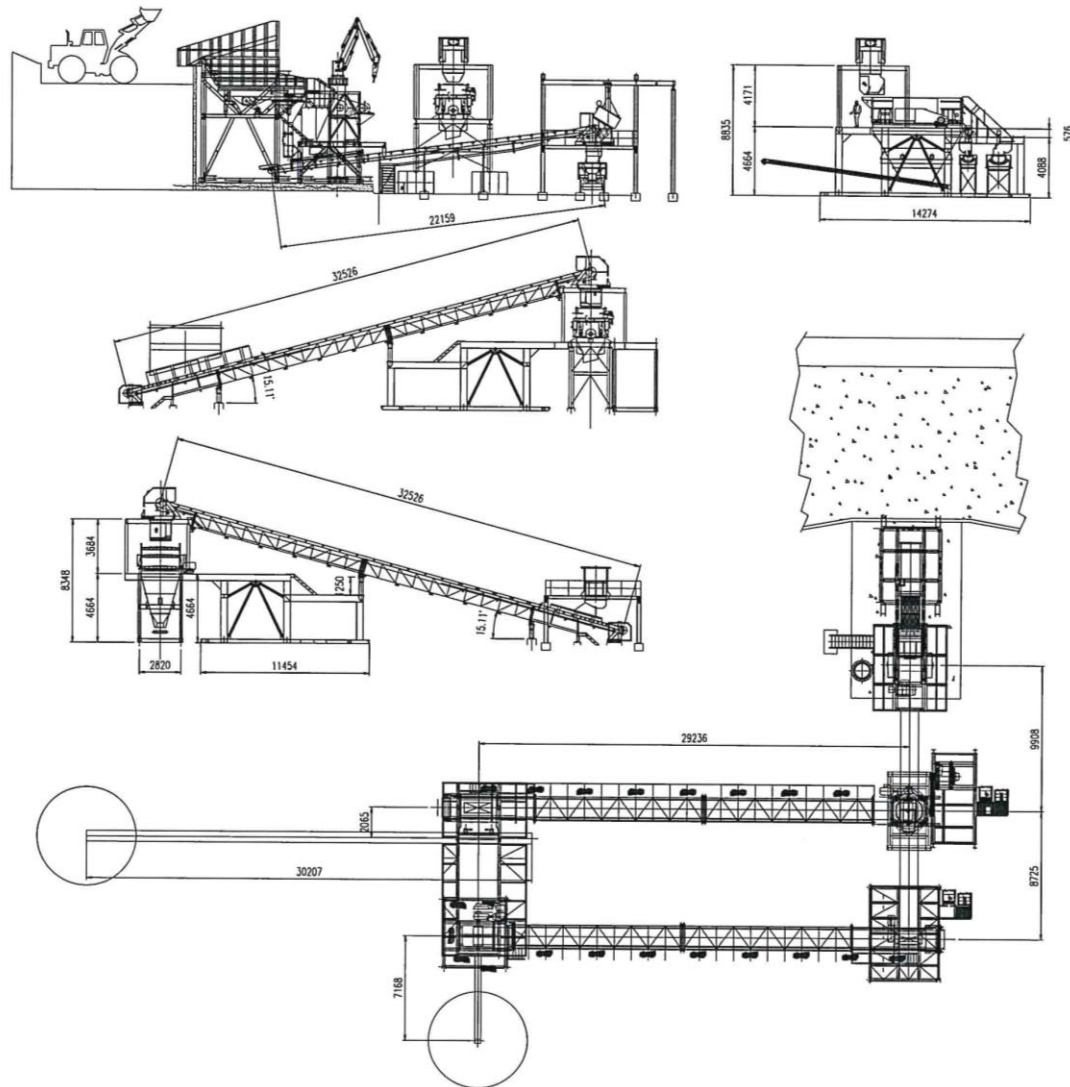
The Company is targeting the end of H1 2021 to have the equipment ready to be marketed to deploy.

The plant will be suitable for a range of projects, but in particular would be suitable for iron ore projects up to 5 million tonnes per annum.



***Steel works leaving Darwin for Elmore's Muchea site.***

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## ***Basic layout of Elmore's Mobile Crushing and Screening Plant under construction***

### **Mobile Plant - Industrial Sands and Aggregate Project**

During the quarter, Elmore mobilised the Company's 2 MTPA mobile crushing and screening plant to the Mummaloo Iron Project in Western Australia to run crushing and screening and beneficiation trials on material on for SMS Contracting, who has an agreement with the owners of the project.

At this stage, the project is considered to be very short-term, as project viability cannot be determined until after the trials have been completed. The contract may extend if the trials prove that product can be produced in an economically viable process.

The Company is currently quoting at several work packages in Western Australia.



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***Elmore mobile crushing and screening plant operating around 300kms north of Perth***

## CORPORATE

### **Reinstatement to Official Quotation**

Elmore recommenced trading on the Australia Securities Exchange (ASX) on 14 April 2021 following the successful completion of its offer under the prospectus dated 23 February 2021 by the issue of 244,255,000 shares at an issue price of \$0.02 per share and completion of re-compliance with ASX Listing Rules.

On 29 January 2021, the Company held both its 2019 and 2020 Annual General Meetings. At the meeting the following resolutions were considered by shareholders:

- Approval of 10% Placement Capacity
- Ratification of Prior Issue – Convertible Note
- Adoption of Employee Share Option Plan
- Adoption of Employee Share Plan
- Issue of Replacement Director Incentive Shares – David Mendelawitz

# ELMORE

- Issue of Options to Related Party – Peter Richards
- Issue of Options to Related Party – Nik Senapati
- Issue of Options to Related Party – Tim Webster

All resolutions at the AGM's were passed by a poll.

On 8 March 2021 the Company held an Extraordinary General Meeting to facilitate the placement required for the reinstatement to official quotations. All resolutions put to the meeting were passed by a poll.

The resolutions passed were:

- Placement – Placement Shares
- Issue of Placement Fee Shares for Brokerage
- Issue of Shares to Related Party – Mr Peter Richards
- Issue of Shares to Related Party – Dr Nik Senapati
- Issue of Shares to Related Party – Mr Tim Webster
- Issue of Placement Fee Options for Brokerage

The Company went on to issue a Prospectus 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.

The Company successfully raised \$4,885,000 under the public offer and converted \$1,000,000 in convertible notes as part of its relisting and is well placed to carry out its programmes on the projects discussed above.

## **Information required by Listing Rule 5.3.5**

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

**-ENDS-**

### **For more information:**

David Mendelawitz  
Elmore Ltd  
Managing Director  
(08) 6323 2310  
info@elmoreltd.com.au

Sean Henbury  
Elmore Ltd  
Company Secretary  
(08) 6168 8000

## Appendix 5B

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

Name of entity

Elmore Limited

ABN

32 057 140 922

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	167	2,693
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	(286)	(1,209)
	(d) staff costs	(231)	(1,054)
	(e) administration and corporate costs	(91)	(577)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	(15)	(37)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	37
1.8	Other (provide details if material)	4	44
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(451)</b>	<b>(100)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(296)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,385	5,385
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(20)	(60)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>5,365</b>	<b>5,325</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	21	6
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(451)	(100)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(296)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,365	5,325

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>4,935</b>	<b>4,935</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	50	21
5.2	Call deposits	4,885	-
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,935</b>	<b>21</b>

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

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

**Current quarter  
\$A'000**

89

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



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

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

8. <b>Estimated cash available for future operating activities</b>		<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(451)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(451)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,935
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,935
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	10
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	

## Compliance statement

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

Date: 30 April 2021.....

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

## Notes

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