



ACN 057 140 922

Annual Report

for the year ended
30 June 2021

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CORPORATE DIRECTORY

Directors

P I Richards
Non-Executive Chairman

D Mendelawitz
Managing Director / CEO

N Senapati
Non-Executive Director

T Webster
Non-Executive Director

Company Secretary

S P Henbury

Registered Office

Armada Accountants & Advisors
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Osborne Park WA 6017
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Corporate Office

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PERTH WA 6000
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Web Site Address

www.elmoreltd.com.au

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
PERTH WA 6000
Telephone: (08) 9324 2099

Auditors

BDO Audit (WA) Pty Ltd
Level 1, 38 Station Street
Subiaco WA 6008

Stock Exchange Listing

Elmore Limited's shares and options listed on the Australian Securities Exchange

Australian Securities Exchange Share Code: ELE

CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to be presenting you with the Elmore Ltd Annual Report for the financial year ended 30 June 2021 ("FY 2021").

I am delighted that the Company has put its legacy issues behind it with the reinstatement of the Company to the official list of the ASX. This was achieved following the successful raising of \$4,885,000 under a public offer and the conversion of \$1,000,000 in convertible notes. It is very humbling the faith that new shareholders have placed on us.

The funds from the raising have been used to further the Company's projects. This includes the conversion of the fixed crushing and screen plant into a mobile plant, and development of the Company's proprietary modular, reusable integrated foundation system which enables the supporting of a large ball mill as part of the moveable processing equipment, thereby making previously unviable small, stranded assets, economic. This foundation system will be paired with the ball mill that has been ordered and is currently being built in Germany by Christian Pfeiffer Group.

The conversion of the fixed plant is progressing well, and once mobile, this plant will further enhance the Company's ability as a mineral processing and consulting company with a focus on processing gold, iron, and other minerals that are treated in a similar manner such as base metals, silver and tungsten.

Late in the year the hard work put in by the Company at the Peko site near Tennant Creek was rewarded with an expanded mandate over the Peko project. We expect that this will lay a strong foundation to the Company's development in the short to medium term. It will require much of the Company's focus over the coming months in order to deliver the production targeted this calendar year and as such Elmore has not sought to deploy its currently available equipment to ensure all hands are on deck to deliver Peko. It is forecasted to be a strong cash generator for the Company over the short to medium term. The Company has been conservative in its forward estimates for the life of mine, using downgraded estimated iron ore prices. Unlike many junior iron ore producers who produce average to lower quality ores, Peko will produce a highly desirable premium product that will sell for a significant margin to the prices that are regularly stated in the press. Peko has also proven that it can produce products for markets outside of the steel making industry that are both high quality and attracting prices both higher and disconnected from the iron ore market. The Company is currently working with agents to evaluate selling a proportion of the output of Peko to these markets to diversify the sales risk profile. In addition, the Company anticipates that the project will also be producing gold and potentially other metals in the medium term. The Company is still on track for first production before the end of the year.

I believe that Elmore is now well positioned with the team, business plan and foundations of the equipment that we need to build Elmore into something that we can all be proud of. This has been a monumental effort by all of those in the direct team, support teams and previously existing and new shareholders. I look forward to what we can build over the coming years. I thank the Board and shareholders for their support and look forward to what the future will bring.

Peter Richards
Chairman



DIRECTORS' REPORT

The Directors of Elmore Limited (the Company or Elmore) present their report on the consolidated entity (referred to hereafter as the Group), consisting of Elmore Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2021.

DIRECTORS

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

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

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was the assessment, development and processing of minerals projects in Australia.

DIVIDENDS

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

OPERATING AND FINANCIAL REVIEW

OPERATIONS

MOVEABLE CIRCA 5MPTA PLANT (THE FIXED CRUSHING AND SCREENING PLANT)

At the beginning of the financial year, the mobile and fixed crushing and screening plant was being utilised in a six-month equipment hire contract with Trendsheer. This contract was completed on 30 September 2020, with Trendsheer advising the Company that it would not need Elmore's equipment moving forward. Trendsheer were planning structural changes on site, and therefore Elmore's equipment was no longer needed and hence no contract extension.

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

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

With the Access Agreement signed, work was initiated to dismantle the FCFP and relocate it to Darwin whilst determining the next location for it to be deployed.

At this time the Company started the process of converting the FCFP into a 4-5Mtpa moveable crushing and screening plant.

Subsequent to the capital raising, Elmore completed the relocation of all the FCFP from the Frances Creek iron ore mine in the Northern Territory, to the Company's laydown and construction site 40 minutes north of the Perth CBD in Muchea.

ELMORE

The entire dismantling and relocation work has been achieved with zero lost time injury and no damage to plant or equipment.



Steel works leaving Darwin for Elmore's Muchea site.

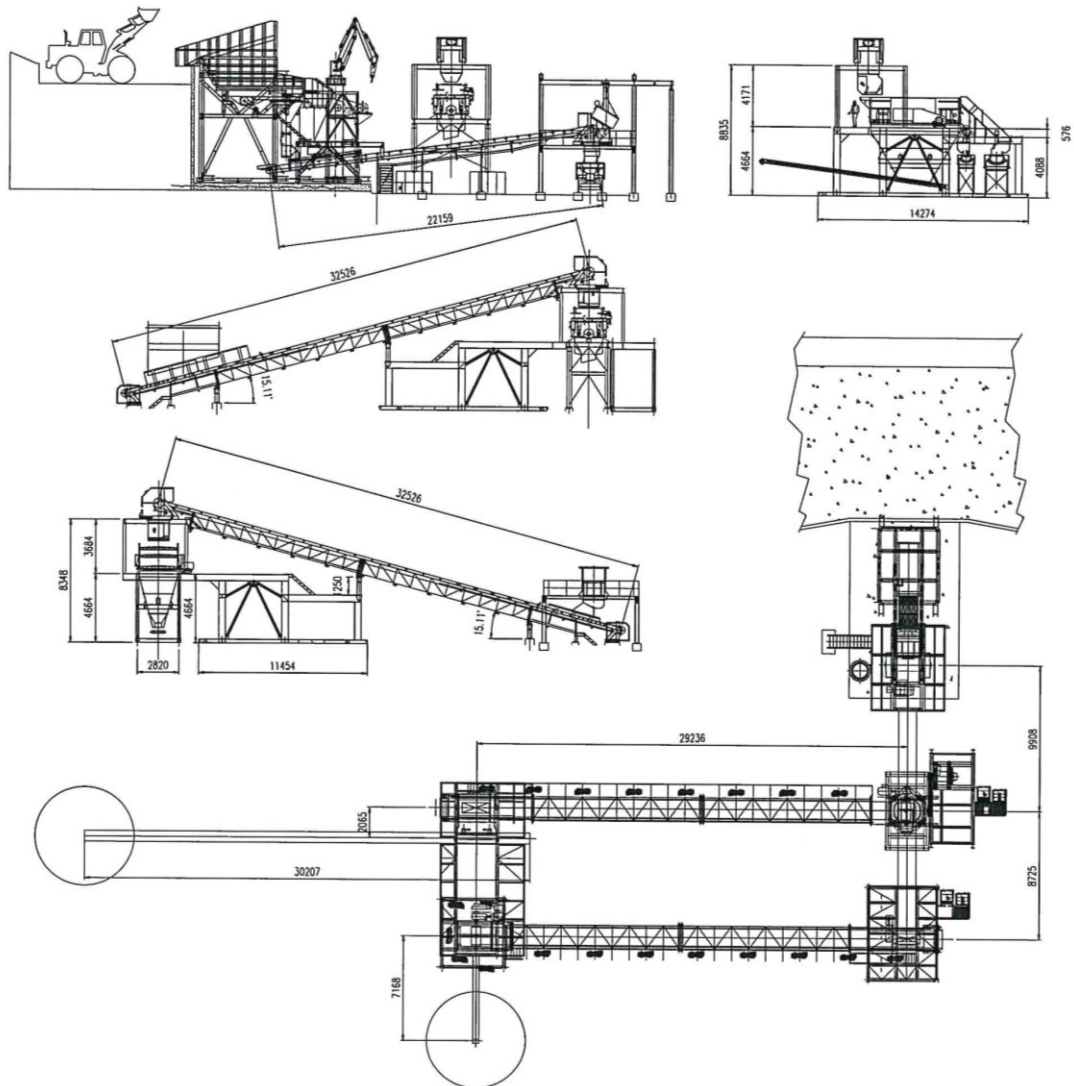
ELMORE



Steel that was part of the Frances Creek Plant, now converted to skid mounts for part of the new Peko Plant.

Elmore had previously decided to scrap a significant portion of the steel structures that made up the original fixed plant, as the plant was originally built to be able to run either wet or dry screening, on a switchable basis. As the new configuration will be built to run either wet or dry screening with only 1 screening unit fitted at a time, compared to the original 2, much of the structural steel would have been redundant in the moveable plant that Elmore is building.

ELMORE

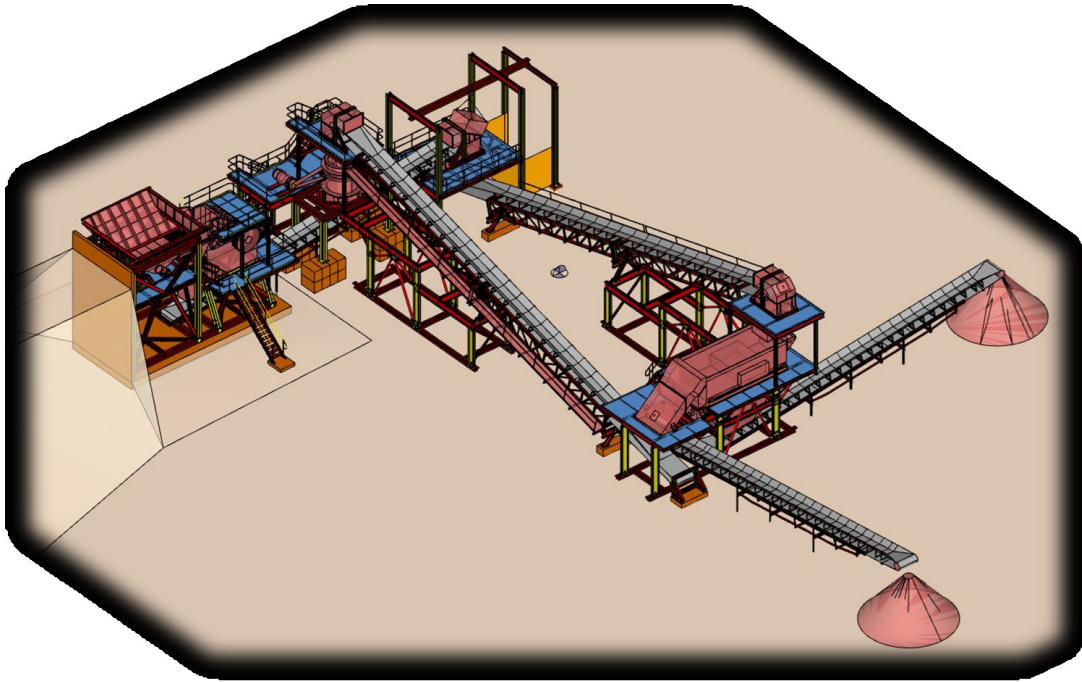


Basic layout of Elmore's Mobile Crushing and Screening Plant under construction

Elmore evaluated the condition and potential use of the steel structure and determined it to be a significant asset driven by structural steel prices having increased dramatically and the availability of steel and fabricators being under pressure, with these factors widely forecast to worsen. **Elmore plans to use some of this steel to frame and mount all equipment required to complete the recently executed Peko Iron Project contract.**

The additional steel work relocation was a larger logistical exercise than the movement of the equipment that will be used to complete the new moveable plant. In total the movement of all the plant has taken 36 conventional road train trailers and 7 wide load trailers. Given that all dis-assembly and loading of the plant was undertaken by only 6 people, this has been a job that we are justly proud of achieving safely.

ELMORE



3D MODEL OF MOVEABLE CRUSHING AND SCREENING PLANT UNDER CONSTRUCTION



IMAGE LEFT – FRANCES CREEK PLANT SITE BEFORE

IMAGE ABOVE – AERIAL VIEW OF STRUCTURAL STEEL LAYOUT IN WESTERN AUSTRALIA (NOTE 5 X 20FT SEA CONTAINERS FOR SCALE REFERENCE)

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.

2 MPTA MOBILE CRUSHING AND SCREENING PLANT

When the contract with Trendsheer ended, Elmore mobilised the Company's 2 MTPA mobile crushing and screening plant (MCSP) to an industrial sands project within the outer suburbs of Darwin, Northern Territory.

The plant was being used to crush re-cycled concrete and other material for the purpose of generating both industrial sands and aggregates, and to re-habilitate the site.



Elmore mobile crushing and screening plant operating near Darwin

The length of the project was quite short, as both the final products and, more importantly, the performance of screening sands during the heavy wet season was determined by Elmore to be unsatisfactory.

Following the contract industrial sands contract, 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.

The project was considered to be very short-term, as project viability could not be determined until after the trials have been completed. Following trials the contract was not extended as the trials proved that project required more drilling and optimisation before commitment could be made to continue.

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

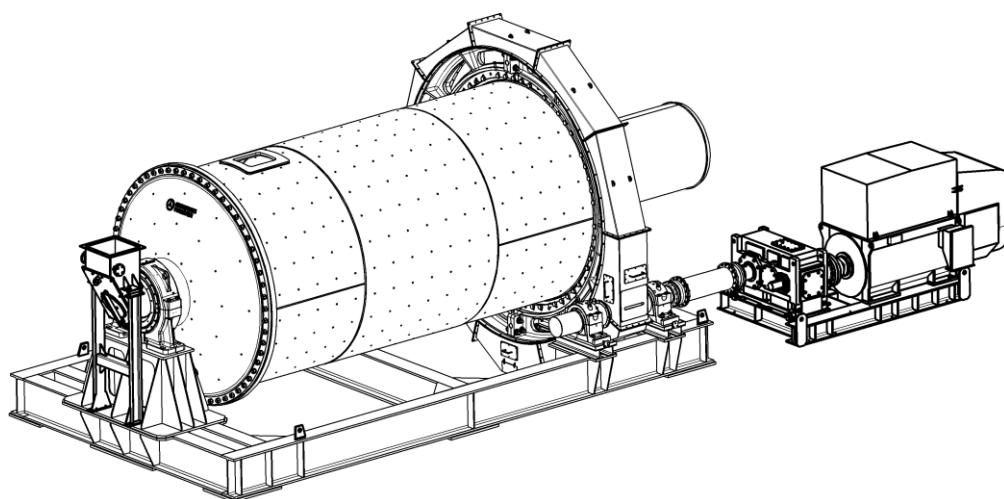
The Company plans to use the plant as the front end crushing and screening plant on the Territory Minerals project when it begins (targeted Q 2, 2021). Elmore is considering making it available for other work after the Peko Project has been commissioned and before Territory Minerals begins.

BALL MILL

Elmore has now ordered the first ball mill to be used to deliver the Company's mobile precious metals processing solution, based on its proprietary relocatable foundations system. Elmore has been working with the Christian Pfeiffer Group in Germany to design and build the optimum mill.

The mill is rated at 1150kw and is designed to be mounted on a frame measuring slightly under 12 metres long by approximately 6 metres wide, to stay within the capacity of practical road transport throughout Australia. To the best of the Company's knowledge, this will be one of the largest road transportable, skid mounted ball mill, available for contract processing in the world.

The power rating and design was determined to provide the Company capacity to process medium to hard rocks that are typical of gold bearing ore, at a rate of 60-80tph at a grind size of 80% passing below 80 microns after milling, when used in conjunction with 2 to 3 stages of front-end crushing. Elmore already owns the first 2 stage crushing plants that will be used with this mill.



Schematic of ball mill and drive unit on frames ready to be slid onto foundations.

TERRITORY MINERALS TRADING PROJECTS

During the December 2020 quarter, Elmore executed a contract with Territory Minerals Trading Ltd ("Territory" or "TM") to process gold and antimony ore from Territory's suite of projects in the Hodgkinson Basin, far north Queensland. Elmore outlined the key terms of its agreement with TM in an announcement on 18 January 2021.

The projects are located in two main regions:

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

The process flow will include:

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

Elmore has assisted Territory to design and undertake a small drilling program to evaluate the oxide mineralisation at TM's Northcote project. Whilst a reasonable level of confidence is held over the recovery of gold from the fresh ore, further understanding was sought over the oxide material which represents approximately 20% of the expected material to be processed.

TM completed three metallurgical reverse circulation (RC) drill holes for a total of 193 meters; one hole at each of the Tunnel, Emily and Ethel prospects at Northcote. These areas were selected to test metallurgical recoveries and processing options matched to Elmore's proposed processing circuit utilizing gravity and flotation. Drilling was completed down dip on the mineralised structures to provide information on the continuity of mineralisation and provide adequate sample for ongoing test work.

Although the oxide is relatively thin and will not form a major portion of the ore, little information was available and the current program will evaluate the gravity recoveries of the oxide mineralisation. There is very little transition mineralisation and almost no surface depletion with mineralisation outcropping or being present from 1 to 3 metres depth. This is important in relation to the pre-stripping required. Results were recently received. Elmore is very happy with these results, which demonstrate that the oxide is most likely to be economic to process and is thus both further revenue to the project and Elmore and not the capital expense that it would be if the material needed to be removed first.

The project is covered by a granted Exploration Licence, with the mining lease applications are progressing well. Initial water and sediment samples are being collected to assist with environmental permitting and an environmental gap analysis is underway to determine the level of environmental work required and costing of the work.

Target commencement of production is H1 2022.

PEKO TAILINGS REHABILITATION PROJECT

Project Background

Elmore entered into a service contract with ICA Mining Pty Ltd ("**ICA**") in which the Company provides a range of consulting services, including design, procurement and the construction management, of a magnetite processing plant to be owned by ICA and known as the Peko Tailings Project. Peko is located in the Tennant Creek region in the Northern Territory. Peko consists of circa 3.75 million tonnes of tailings containing magnetite, gold, copper and cobalt. The tailings are approximately 70-80% magnetite, with the remaining 20-30% being a combination of clay and silicates. The tailings have an average grind size of 106 micron.

Peko's operations are located 12km from the Adelaide-Darwin railway and 10km from the town of Tennant Creek and the Company plans to use spare capacity on the existing intermodal schedule to transport the product in containers to Darwin. Sealed roads connect the mine to a rail siding and stockpile area and One Rail has been preparing the siding and stockpile area at Tennant Creek to be ready for first product in late 2021.

Mine life is expected to be 5 – 7 years, depending on rail capacity, starting at ~30,000 tonnes per month and targeting a processing rate of ~500,000 tonnes per annum.

The process plant currently being built by Elmore will wash and magnetically separate the existing tailings to produce a magnetite product and a secondary stream enriched in copper, gold and cobalt ("**Metals**").

The Company has demonstrated that some of the Metals can be recovered from the secondary stream, though has not completed the program of works to finalise the extraction process and associated economics. It plans to complete this work by the end of 2021, though for now most of the Company's focus is on magnetite production to underpin the Company's cashflows.

For consulting services, including design, procurement and the construction management, of a magnetite processing plant, Elmore received a \$100,000 + GST monthly retainer. In addition, Elmore was entitled to a \$AU2 per tonne royalty.

Design and procurement of the process plant in Tennant Creek, has been completed to a level that construction commenced, with all equipment on site or refurbishment completed. Construction lead time will be short due to the simple nature of the plant and pre-existing infrastructure.

Appointment of Administrator

On 13 June 2021, the Directors of ICA appointed Mr Sule Arnautovic of Hall Chadwick as an Administrator in accordance with Section 436A of the Corporations Act 2001.

A proposed Pooled Deed of Company Arrangement ("**DOCA**") was put forward by ICA's secured creditor.

The second creditors meeting was held on 16 July 2021, where creditors voted to accept the proposal to execute the DOCA which was duly executed by all parties on the same day.

The DOCA provides the ability for the planned tailings project to enter into a production phase under the direction of a new Board of Directors. It will allow for the continuation of business between ICA and its trade suppliers in respect of the set up and operation of the magnetite process plant.

Expansion of Scope of Elmore Contract

Subsequent to year end, Elmore has executed binding agreements with Peko Gold Lending Pty Ltd ("**PGL**"),

ICA's secured creditor and the successful DOCA proponent. This agreement tasks Elmore with completing the construction of the magnetite process plant and operating the plant, mine and also controlling the logistics and product sales of the magnetite, in exchange for an increased management fee, direct equity in the project and management rights.

Key Terms of the Binding Agreement

The key terms of the Proposed Mining Transaction were disclosed by the Company in an Announcement dated 23rd August 2021.

GOLD VALLEY IRON

On 29 April 2019, Gold Valley Iron Pty Ltd (GVI) and Elmore entered into an Asset Sale Agreement and a Minerals Processing Agreement. Elmore held a first-ranking, registered security interest in respect of all GVI's present and after-acquired property. By a notice of termination dated 22 November 2019, Elmore terminated the Minerals Processing Agreement.

GVI asserted a claim against Elmore under the Asset Sale Agreement. The asserted claim in the GVI v Elmore Proceedings and the Elmore Claim against GVI under the Minerals Processing Agreement were, on a without prejudice basis, it was agreed by GVI, the Liquidators, the Former Administrators & Receivers and Elmore, to resolve and end all Claims between them, however arising, subject to and in accordance with the terms of a Deed of settlement.

Pursuant to this Deed, Elmore will receive a payment of \$98,860 from the Liquidators in settlement of their claim, whilst maintaining an interest in any successful litigation for insolvent trading that may be actioned against the Officers of GVI. This reserved debt amount, has a cap on it of \$500,000 + GST payable to Elmore in accordance with the Deed.

On 25th May 2021, Elmore entered into an agreement with Gold Valley Iron and Manganese Pty Ltd (GVIM) whereby GVIM are to repay \$42,174 to Elmore in 6 equal monthly payment as compensation for costs incurred by Elmore when GVIM unsuccessfully disputed the legitimacy of the appointment of the Administrator. The agreement and cost order was made within the Magistrates Court of Western Australia. At the time of writing, GVIM were up to date on payments, having made the first payment on time.

CORPORATE

REINSTATEMENT TO OFFICIAL QUOTATION

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

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 all the resolutions 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 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.

The Company raised a further \$1,000,000 via a placement of 50,000,000 ordinary shares from the Company at \$0.02 per share in April 2021, the same price as the relisting capital raise. The Company made the placement under its existing placement capacity.

At the same time the Company converted into shares the outstanding interest (\$167,671) previously accrued under the convertible note that was repaid as part of the relisting process.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

At reporting date, the Company incurred a total comprehensive loss after interest, taxation, depreciation, amortisation and impairment of \$3.402 million (2020: \$1.930 million).

Impacting the net loss of \$2.851 million for the year were the following significant non-cash items:

- Depreciation costs of \$0.427 million
- Expected credit losses of \$0.55 million
- Operational expenses of \$1.998; and
- Revenue from operations of \$2.309 million.

STATEMENT OF FINANCIAL POSITION

Total assets at reporting date were \$5.885 million. The following significant items impacted on assets:

- Cash of \$2.109 million; and
- Property, plant and equipment of \$3.222 million.

Total liabilities at reporting date were \$0.735 million.

Total equity attributable to shareholders increased by \$4.735 million to \$5.150 million.

STATEMENT OF CASH FLOW

Consolidated cash flows from operating activities resulted in a net cash outflow of \$2.522 million, representing an increase of \$1.197 million from the prior year primarily relating to payments to suppliers and employees.

Net cash flows from investing activities resulted in a net cash outflow of \$0.711 million due primarily to the purchase of plant and equipment.

Net cash inflows from financing activities resulted in a net cash inflow of \$5.334 million primarily due to proceeds received from capital raisings and borrowings.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Peko Tailings Project – appointment of Administrator

Elmore has a service contract with ICA Mining Pty Ltd ("ICA") in which the Company provides a range of consulting services, including design, procurement and the construction management, of a magnetite processing plant to be owned by ICA and known as the Peko Tailings Project.

For this service Elmore received a \$100,000 + GST monthly retainer. In addition, Elmore is entitled to a \$AU2 per tonne royalty.

On 13 June 2021, the Directors of ICA appointed Mr Sule Arnautovic of Hall Chadwick as an Administrator in accordance with Section 436A of the Corporations Act 2001. At the time the Administrator was appointed the Company was owed \$660,000 in unpaid retainer fees.

A proposed Pooled Deed of Company Arrangement ("**DOCA**") was put forward by ICA's secured creditor.

The second creditors meeting was held on 16 July 2021, where creditors voted to accept the proposal to execute the DOCA which was duly executed by all parties on the same day.

The DOCA provides the ability for the planned tailings project to enter into a production phase under the direction of a new Board of Directors. It will allow for the continuation of business between ICA and its trade suppliers in respect of the set up and operation of the magnetite process plant.

Peko Tailings Project - Contract Expansion of Scope

Elmore had previously been working on the Peko project under a design and assist consultancy agreement throughout 2020 but has now executed final binding documents with ICA Mining in line with the previously announced Binding Memorandum of Understanding. This significantly expands the scope of the previous agreement.

Under the agreement, Elmore will complete the construction of stage 1 of the project, which involves installation of the processing equipment required to extract saleable magnetite from the tailings stockpile.

In exchange, Elmore will be entitled to 25% direct equity in two entities formed to house the Peko tailings magnetite ("Peko Iron") and Metals ("Peko Metals") projects and will be granted an exclusive right to mine and process.

Elmore will manage all elements of these operating entities and will have two (2) Directors on the entity's Boards, whilst ICA will have one (1). The monthly management fee will be increased to \$150,000 and will be paid by the Peko Iron to Elmore, in addition to a royalty of \$US2 per tonne of saleable magnetite instead of \$AU2 per tonne.

FINANCING MANDATE

Elmore has entered into a non-exclusive fund-raising mandate with MP Capital to raise up to \$6 million to complete the Peko Iron project.

Elmore is contemplating issuing a debt instrument, secured over the interest that will be earned in the Peko projects on commissioning.

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

INFORMATION ON DIRECTORS

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

P I Richards B Non-Executive Director/Chairman

Experience and expertise

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

Other current directorships

Emeco Holdings Limited
GrainCorp Limited
Cirralto Limited

Former directorships in last 3 years

None

Special responsibilities

Non-Executive Director and Chairman.

Interest in shares and options

13,233,963 shares in Elmore Ltd
2,000,000 unlisted options in Elmore Ltd

N Senapati. Non-Executive Director

Experience and expertise

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

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

Other current directorships

None

Former directorships in last 3 years

None

Special responsibilities

None

Interest in shares and options

5,000,000 shares in Elmore Ltd
2,000,000 unlisted options in Elmore Ltd

INFORMATION ON DIRECTORS (Continued)

D Mendelawitz. Managing Director/Chief Executive Officer

Experience and expertise

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

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

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

Other current directorships

None

Former directorships in last 3 years

Cleveland Mining Company Ltd

Special responsibilities

Managing Director

Interest in shares and options

Nil shares in Elmore Ltd

Nil unlisted options in Elmore Ltd

T Webster. Non-Executive Director

Experience and expertise

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

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

Other current directorships

None

INFORMATION ON DIRECTORS (Continued)

Former directorships in last 3 years

None

Special responsibilities

None

Interest in shares and options

16,677,074 shares in Elmore Ltd

2,000,000 unlisted options in Elmore Ltd

COMPANY SECRETARY

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

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

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

MEETINGS OF DIRECTORS

The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each director were:

Name	Board		Audit Committee		Remuneration Committee		Other (include details)	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
P I Richards	34	34	-	-	-	-	-	-
N Senapati.	34	34	-	-	-	-	-	-
D Mendelawitz	34	34	-	-	-	-	-	-
T Webster	34	34	-	-	-	-	-	-

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

REMUNERATION REPORT – AUDITED

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

Directors and executives disclosed in this report

Name	Position
------	----------

Non-executive and executive directors – see page 15 to 17 above

Other key management personnel of the Group.

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

Remuneration Governance

Role of the remuneration committee

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

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

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

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

Principles used to determine the nature and amount of remuneration

Non-Executive Director

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

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

Directors' fees

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

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

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

REMUNERATION REPORT – AUDITED (Continued)

Name	2021 \$	2020 \$
Chairman	60,000	60,000
Other non-executive directors (in aggregate)	48,000	52,000

Retirement allowances for non-executive directors

No retirement benefits are provided.

Executive Directors

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

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

Use of remuneration consultants

During the year 30 June 2021, the Company did not engage any remuneration consultants.

Voting and comments made at the company's 2020 Annual General Meeting

The Company received more than 87.72% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Relationship of Rewards and Performance

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

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

Company performance, shareholder wealth and Director and Executive remuneration

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

Year	30 June 2018 \$	30 June 2019 \$	30 June 2020 \$	30 June 2021 \$
Closing Share price	0.01	0.069 ⁽¹⁾	0.069 ⁽¹⁾	0.023
% Change	(64%)	(31%)	(-%)	(66%)
Total Director & KMP Remuneration	1,102,503	1,149,677	461,508	619,057

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

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

REMUNERATION REPORT – AUDITED (Continued)

Details of Remuneration

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

2021	Short-term employee benefits			Post-employment benefits	Long-term Benefits		Share-based payments	Total	Proportion of remuneration that is performance based
	Cash salary and fees	Expense Benefit	Non-monetary benefits	Super-annuation	Long service leave	Termination benefits	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	%
P I Richards	60,000	-	-	-	-	-	18,633	78,633	-
N Senapati	48,000	-	-	-	-	-	18,633	66,633	-
T Webster	48,000	-	-	-	-	-	13,176	61,176	-
D Mendelawitz (1)	352,083	-	27,083	33,448	-	-	-	412,615	-
	508,083	-	27,083	33,448	-	-	50,442	619,057	-

- (1) The Company has a service agreement with Mr Mendelawitz which states that he will receive a salary of \$325,000 (plus superannuation) per annum. Due to cash flow concerns in the prior financial year, Mr Mendelawitz's salary was reduced, with the difference being paid this year following the Company's capital raise.

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

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

REMUNERATION REPORT – AUDITED (Continued)**Service agreements**

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

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

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

Due to the change of business focus, the incentive shares have not been issued. As a result no amount had been expensed in the 2020 financial year. These options were put to shareholders at the 2020 AGM held on 29 January 2021, where they were passed by shareholders. Due to the vesting conditions placed upon these options they have not at this time been issued to Mr Mendelawitz, and at this time no amount has been expensed in the 2021 financial year.

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

Mr Webster's service agreement includes the provision of 2,000,000 director options, with an exercise price equal to 200% of the 5-day VWAP prior to the grant date or 200% of the price at which equity is raised. The options have a 3 year from issue exercise date with no vesting conditions.

The director options were subject to shareholder approval which was granted on 29 January 2021 and options formerly issued on 2 March 2021.

Mr Webster's director options, along with director options with Mr Richards and Dr Senapati where approved at the 2020 AGM held on 29 January 2021. The options have been valued at date of issue being 2 March 2021 at \$55,899 using the Black-Scholes option pricing model as the fair value of the services received can't be reliably measured using another method. The Black Scholes inputs and valuations were as follows:

Options

Number of options (1)	6,000,000
Valuation date	2 March 2021
Underlying spot price AUD \$	\$0.025
Exercise price AUD \$	\$0.05
Expected volatility	100%
Expiry date	31 March 2023
Expected dividend yield	Nil
Risk free rate	1.50%
Valuation per option AUD \$	\$0.0093

(1) 2,000,000 options were agreed in 2020 and formerly approved in 2021, \$5,457 was recognised as a share-based payment expense in 2021.

The amount expensed in the 2021 year has been reduced for the amount expensed in the 2020 year being \$5,457.

REMUNERATION REPORT – AUDITED (Continued)

Share-based compensation

There were 6,000,000 incentive options issued during the year as compensation to directors, refer to the note above.

Shares provided on exercise of remuneration options

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

Employee share scheme

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

Key Management Personnel Option Holdings

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

2021 Name	Balance at the start of the year	Granted	Exercised	Other Changes	Balance at the end of the year	Vested and exercisable	Unvested
Non-executive Directors							
P I Richards	-	2,000,000	-	-	2,000,000	2,000,000	-
N Senapati	-	2,000,000	-	-	2,000,000	2,000,000	-
T Webster	-	2,000,000	-	-	2,000,000	2,000,000	-
Executive Director							
D Mendelawitz	-	-	-	-	-	-	-
Total	-	6,000,000	-	-	6,000,000	6,000,000	-

Key Management Personnel Share Holdings

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

2021 Name	Balance at the start of the year	Granted	Received on exercise of options or rights	Other changes (1)	Balance at the end of the year
Directors					
P I Richards	5,733,962	-	-	7,500,000	13,233,963
N Senapati	-	-	-	5,000,000	5,000,000
T Webster (1)	9,922,074	-	-	6,755,000	16,677,074
Executive Director					
D Mendelawitz	-	-	-	-	-
Total	15,656,036	-	-	-	15,656,036

(1) The Directors participated in the fund raising of 10 March 2021 as approved at the EGM dated 8 March 2021.

End of Audited Remuneration report.

SHARES UNDER OPTION/RIGHT

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

Date option/right granted	Expiry date	Issue price of shares	Number under option/right
02/03/2021	31/03/2023	\$0.05	6,000,000

INSURANCE OF OFFICERS

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

Other than matters stated in "CONTINGENCIES (note 20)", no person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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

NON-AUDIT SERVICES

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

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

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 26.

AUDITOR

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



David Mendelawitz
Managing Director
30 September 2021

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

As lead auditor of Elmore Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2021

CORPORATE GOVERNANCE STATEMENT

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

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

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue from continuing operations			
Revenue	4	2,308,706	1,201,416
Other income/(expense)	4	286,680	121,249
Employee benefits expense	4	(1,779,062)	(940,781)
Operational expenses	4	(1,997,811)	(1,006,429)
Depreciation of non-current assets	4	(426,893)	(677,619)
Corporate expenses	4	(538,066)	(752,190)
Finance & administration	4	(1,204,903)	(249,405)
Share based compensation	26	(50,442)	(5,457)
Disposal of subsidiary	4	-	379,014
Loss from continuing operations before income tax		(3,401,791)	(1,930,202)
Income tax (expense)/benefit	5	-	-
Net Loss from continuing operations		(3,401,791)	(1,930,202)
Loss after tax for the year attributable to the owners of Elmore Limited		(3,401,791)	(1,930,202)
Other comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation foreign operations		-	34,602
Total comprehensive loss for the year attributable to the owners of Elmore Limited		(3,401,791)	(1,895,600)
Loss per share for the year from continuing operations attributable to the members of 'Elmore Ltd'			
	Note	2021 ¢	2020 ¢
Basic loss per share	25	(0.83)	(0.70)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current Assets			
Cash and cash equivalents	6	2,109,122	9,250
Trade and other receivables	7	309,943	937,648
Total current assets		2,419,065	946,898
Non-current assets			
Other receivables and prepayments	7	83,762	50,772
Right of use asset	8	-	414,890
Property, plant and equipment	9	3,221,767	1,587,465
Other financial assets	10	160,130	6,282
Total non-current assets		3,465,659	2,059,409
Total assets		5,884,724	3,006,307
Liabilities			
Current liabilities			
Trade and other payables	11	605,387	1,224,604
Provisions	12	85,620	67,692
Borrowings	13	43,752	828,480
Lease liabilities	14	-	470,906
Total current liabilities		734,759	2,591,682
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		734,759	2,591,682
Net assets		5,149,965	414,625
Equity			
Contributed equity	15	82,892,971	75,991,282
Other reserves	16	3,944,607	2,709,165
Capital and reserves attributable to owners of Elmore Limited		86,837,578	78,700,447
Accumulated losses	17	(81,687,613)	(78,285,822)
Total equity		5,149,965	414,625

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		2,611,634	440,000
Cash paid to suppliers and employees		(5,296,159)	(1,835,264)
Other income		186,051	58,032
Interest paid		(25,459)	(904)
Interest received		1,117	12,467
Net cash (outflow) from operating activities	24	(2,522,816)	(1,325,668)
Cash flows from investing activities			
Purchase of property, plant and equipment and prepayments		(478,049)	(19,397)
Refund/(Payment) for security deposits		(232,990)	(15,854)
Loans made			150,000
Loans repaid		-	-
Net cash inflow /(outflow) from investing activities		(711,039)	114,749
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs		6,025,182	1,125,000
Proceeds from borrowings		-	695,000
Lease payments		(473,450)	(636,123)
Repayment of borrowings		(218,005)	(19,171)
Net cash inflow from financing activities		5,333,724	1,164,706
Net increase/(decrease) in cash and cash equivalents		2,099,872	(46,213)
Cash and cash equivalents at beginning of year		9,250	55,463
Cash and cash equivalents at end of year	6	2,109,122	9,250

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2021

CONSOLIDATED	Share Capital	Foreign currency translation reserve	Asset Revaluation reserve	Share based payments reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	75,991,282	-	-	2,709,165	(78,285,822)	414,625
Other comprehensive income for the year						
Exchange differences on translation of foreign operations reclassified to profit or loss following loss of subsidiary	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	-	-	-
Loss for the year	-	-	-	-	(3,401,791)	(3,401,791)
Total comprehensive income / (loss) for the year	-	-	-	-	(3,401,791)	(3,401,791)
Transactions with owners in their capacity as owners						
Contributions of equity	6,901,689	-	-	-	-	6,901,689
Revaluation of assets	-	-	1,185,000	-	-	1,185,000
Option based payments	-	-	-	50,442	-	50,442
Balance as at 30 June 2021	82,892,971	-	1,185,000	2,759,607	(81,687,613)	5,149,965

ELMORE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED	Share Capital	Foreign currency translation reserve	Asset Revaluation reserve	Share based payments reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019						
Other comprehensive income for the year						
Exchange differences on translation of foreign operations reclassified to profit or loss following loss of subsidiary	-	34,602	-	-	-	34,602
Total other comprehensive income for the year	-	34,602	-	-	-	34,602
Loss for the year	-	-	-	-	(1,930,202)	(1,930,202)
Total comprehensive income /(loss) for the year	-	34,602	-	-	(1,930,202)	(1,895,600)
Transactions with owners in their capacity as owners						
Contributions of equity	1,125,000	-	-	-	-	1,125,000
Option based payments	-	-	-	5,457	-	5,457
Balance as at 30 June 2020	75,991,282	-	-	2,709,165	(78,285,822)	414,625

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

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

i) Compliance with IFRS

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

ii) Historical cost convention

The financial report has also been prepared on a historical cost basis.

iii) Critical accounting estimates

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

b) Going Concern

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

For the year ended 30 June 2021, the consolidated entity recorded a loss of \$3,401,791 (30 June 2020: loss of \$1,930,202) and had net cash outflows from operating and investing activities of \$3,233,854 (30 June 2020: \$1,210,919). At 30 June 2021, the consolidated entity had working capital surplus of \$1,684,306 (30 June 2020: deficit of \$1,229,894).

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

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

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

- Successfully secure equipment finance funding to deliver and install additional processing equipment as necessary to support our mobile crushing & screening operations in Australia. Also, to continue to expand its processing activities to generate positive cashflow from the iron ore and gold processing contracts;
- Raise additional finance from debt or equity if and when required, to contribute to the consolidated entity's working capital position in the near term; and

- Raise additional up to \$6 million to complete the Peko Iron project. Elmore is contemplating issuing a debt instrument, secured over the interest that will be earned in the Peko projects on commissioning

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

c) Basis of consolidation

i) Subsidiaries

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

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

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

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

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

d) Segment reporting

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

e) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

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

iii) Group companies

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

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

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

f) Income Tax

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

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

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

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

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

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

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

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

g) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group 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 at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

h) Impairment of assets

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

i) Cash and cash equivalents

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

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

j) Financial assets

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

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

Impairment of financial assets

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

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

k) Property, Plant & Equipment

At 30 June 2020, all property, plant and equipment is stated at historical cost less depreciation.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Plant and equipment	20%
Lab equipment	12.5%
Mineral Processing Plant	10-20%
Motor Vehicle	25%
Office equipment	33.3%

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

From 1 July 2020, Mineral Processing Plant is recognised at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation surplus is recorded in OCI and credited to the Asset Revaluation Reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. Fair value involves significant judgement to estimate the value that the assets held by the Company could obtain from willing market participants. Refer to Note 9 for further details.

Adjustments recognised on adoption of Fair Value

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.

l) Trade and other payables

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

m) Provisions

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

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

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

n) Employee benefits

i) Short-term obligations

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

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

ii) Other long-term employee benefit obligations

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

iii) Share-based payments

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

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

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

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

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

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

iv) Termination benefits

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

o) Contributed Equity

Ordinary shares are classified as equity.

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

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

p) Earnings Per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii) Diluted earnings per share

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

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

q) Goods and Services Tax

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

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

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

r) Right-of-use assets

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

costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

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

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

s) Lease liabilities

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

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

t) Government grants

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

u) Revenue Recognition

Revenue from contracts with customers

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

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

Rendering of services

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

v) Trade and other receivables

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

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

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

w) Borrowings

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

x) Convertible Note Liability

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

y) Discontinued operations

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

z) Critical accounting estimates and judgements

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

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 26 for further information.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

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

Convertible notes

The company issued short-term convertible notes during the prior year, which are accounted for at fair value through profit or loss. The fair value of the convertible note is dependent upon the conversion feature which is the share price of the company. The convertible notes, and the interest accrued on the notes, were converted as part of the capital raising on 10 March 2021. The notes were converted at \$0.016 per share, however the fair value of a share at that time was \$0.02, being the price of the recent capital raising that was being conducted at that time. The difference between the fair value of the shares issued as consideration for the convertible notes and the face value of the convertible notes (including accrued interest) has been expensed as a financing cost.

Property, plant and equipment

During the period the Company changed its accounting policy to measure its Mineral Processing Plant at fair value which was determined to be more relevant to the economic decision-making needs of the financial statement users. 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. The Mineral Processing Plant was valued by reference to market information including transactions involving equipment of a similar nature. The Group engaged an independent valuation specialist to determine the fair value.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 7, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

aa) New accounting standards for application in future periods

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

2. FINANCIAL RISK MANAGEMENT

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

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

The Group hold the following financial instruments:

Financial assets

Cash and cash equivalents
Trade and other receivables

2021 \$	2020 \$
2,109,122	9,250
309,943	937,648
2,419,065	946,898

Financial liabilities

Current

Trade and other payables
Lease liabilities
Borrowings

2021 \$	2020 \$
560,387	1,224,604
-	470,906
43,752	828,480
604,139	2,523,990

a) Market risk

i) Foreign exchange risk

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

2. FINANCIAL RISK MANAGEMENT (Continued)

ii) Cash flow and interest rate risk

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

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

	2021 \$	2020 \$
Floating interest rate		
Cash and cash equivalents	2,109,122	9,250
Weighted average interest rate	0%	0%

b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions. Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

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

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the FOC has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Significant increase in credit risk for financial instruments

The Group evaluates and compares the risk of a default on a financial instrument at the reporting date with the risk of a default on the financial instrument at the date of initial recognition. To support the evaluation process, the Group takes into consideration both quantitative and qualitative information that is reasonable and justifiable, including past experience and prospective information that is publicly available. Prospective information taken into consideration includes the future volatility of the industries in which the Group's debtors are in, obtained from industry expert reports, financial news report, governmental bodies, as well as taking into consideration multiple external sources of current and future economic information to which the Group's core operations may relate.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at board level, given to parties securing the liabilities of certain subsidiaries.

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

2. FINANCIAL RISK MANAGEMENT (Continued)

The Group has a significant concentration of credit risk with a single counterparty. Details with respect to credit risk of trade and other receivables are provided in Note 11.

	2021 \$	2020 \$
Cash and cash equivalents – 'AA- 'S&P rating	2,109,122	9,250
Trade and other receivables	309,943	937,648

c) Liquidity risk

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

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

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

The financial liabilities of the Group at reporting date were trade payables, borrowings and lease liabilities incurred in the normal course of the business. Trade payables and lease liabilities were non-interest bearing and were due within the normal 7-30 days terms of creditor payments. Borrowings were interest bearing as disclosed in note 13.

Maturities of financial liabilities

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

At 30 June 2021	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
Non-derivatives							
Non-interest bearing	556,754	-	-	-	-	556,754	556,754
Lease liabilities	-	-	-	-	-	-	-
Interest bearing							
Borrowings	47,385	-	-	-	-	47,385	47,385
Total non-derivatives	604,139	-	-	-	-	604,139	604,139

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

2. FINANCIAL RISK MANAGEMENT (Continued)

d) Fair Values measurement

i Fair value estimation

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

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

ii Fair value hierarchy

During the year ended 30 June 2021, there were transfers between levels 3 and 1 for recurring fair value measurements during the year. Mineral processing plant included in Property, plant and equipment (Note 9) is measured at fair value using level 2 inputs. There were no other transfers during the year.

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

Level 2: the fair value of financial instruments not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The convertible loan with Twynam (note 13) is determined as level 3. The Investment in MegaWatt Lithium and Battery Metals (MegaWatt) (Note 10), previously New Age Resources was acquired by MegaWatt who is listed on the Toronto Stock Exchange and therefore air valued using quoted market prices.

iii Recognised fair value measurements

The following financial instruments are subject to recurring value measurements:

	2021 \$	2020 \$
Convertible loan (Level 3)	-	567,808
Frances Creek fixed plant (Level 2)	2,685,000	-
Investment in MegaWatt Lithium and Battery Metals (Level 1)	160,130	6,282
	2,845,130	574,090

3. SEGMENT INFORMATION

Description of the Segment

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

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

4. REVENUE AND EXPENSES

Loss before income tax includes the following items of revenue and expense:

Other Income

	2021 \$	2020 \$
Interest income	1,117	12,467
Other income/(expense) (1)	285,563	108,782
Gain on disposal of subsidiary (3)	-	379,014
	286,680	500,263

Revenue from continuing operations

Revenue from contracts with customers (4)	2,308,706	1,201,416
	2,308,706	1,201,416

Expenses from continuing operations

Operations (2)	(1,997,811)	(1,006,429)
Employee benefits	(1,779,062)	(940,781)
Depreciation	(426,893)	(677,619)
Corporate expenses	(538,066)	(752,190)
Finance & administration (5)	(1,204,903)	(249,405)
Share based payments	(50,442)	(5,457)
	(3,688,471)	(3,631,881)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 2021

Goods transferred at a point in time	-	-
Services transferred over time	2,308,706	1,201,416

- (1) Other income is made up of Government Covid support, R&D Grant, Unrealised gain on shares and the Coal Hub settlement.
- (2) The Company commenced its operations in Francis Creek and the Peko Tails Project during the year.
- (3) During the prior year the Company entered into an agreement to divest its Singaporean subsidiary, I-S Iron Ore Pte Ltd. After the failure of Benita Industries to meet agreed conditions, an agreement was made on materially similar terms with the Goode Family Trust (GFT), controlled by former CEO/Managing Director, Cedric Goode. GFT now owns all of the shares in the former Singaporean subsidiary (ISIO) and thus control of ISIO's Indian Subsidiary (NSL MRI) for:
 - a. \$1 and agreement to pay the outstanding balance owed to Huate for the WIHMS and LIMS that were bought for the Indian P3 expansion, and
 - b. Using best endeavours to secure of the WHIMS and LIMS for Elmore's future use.
- (4) The Company received income from the assessment, development and processing of minerals projects in Australia for various clients. There are no remaining performance obligations on the Company in respect to these projects.
- (5) The consolidated entity has recognised a loss of \$500,000 in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

5. INCOME TAX

The major components of income tax are:

Statement of profit or loss and other comprehensive income

Current income tax	-	-
Deferred income tax	-	-
Income tax expense/(benefit) reported in the statement of profit or loss and other comprehensive income	-	-

(a) Numerical reconciliation of income tax benefit to prima facie tax payable

Loss from continuing operations before income tax expense	(3,401,791)	(2,429,915)
Tax at the Australian tax rate of 26% (2020: 27.5%)	(884,466)	(728,975)
Tax effect of amounts that are not deductible /(taxable) in calculating taxable income:		
Others	(157,384)	(184,192)
Tax losses and timing differences not brought to account	727,082	(544,783)
Foreign tax rate differential	-	-
Income tax expense /(benefit)	-	-

(b) Tax losses

Unused tax losses for which no deferred tax assets has been recognised	34,351,878	33,581,397
Potential tax benefit at 26% (2020: 27.5%)	8,931,488	9,234,884

(c) Unrecognised temporary differences

Deferred tax assets and liabilities not recognised relate to the following:

Deferred tax assets

Tax losses	8,931,488	9,234,884
Other temporary differences	328,647	310,782

Deferred tax liabilities

Other temporary differences (Interest income on inter-entity loans in foreign jurisdiction)

	-	-
Net deferred tax assets not recognised	9,260,135	9,545,666

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

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

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

6. CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank and in hand	2,109,122	9,250

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

7. TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
Current		
Trade receivables	553,489	605,000
Less: Allowance for expected credit losses	(550,000)	
Accrued revenue (1)	-	251,416
Other receivables and prepayments (2)	306,454	81,232
	309,943	937,648
Non-current		
Security deposits	83,762	50,772
	83,762	50,772

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$500,000 in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

Ageing of trade receivables past due have not been impaired. Aged trade receivables are as follows:

	Total due \$	0 – 30 \$	31 – 60 \$	61 – 90 \$	90+ \$
Trade receivables	553,489	113,489	110,000	110,000	220,000
Expected credit loss	(550,000)	(110,000)	(110,000)	(110,000)	(220,000)

\$550,000 of trade receivables outstanding at year end where outstanding at time of this annual report.

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

8. RIGHT TO USE ASSETS

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

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

Right of use assets

	2021 \$	2020 \$
Leased building	-	66,969
Accumulated depreciation	-	(33,484)
	-	33,484
Leased plant and equipment	-	997,923
Accumulated depreciation	-	(616,517)
	-	381,405
Total Right of use asset	-	414,890

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

	2021 \$	2020 \$
Depreciation charge related to right-of-use assets	389,147	650,002
Interest expense on lease liabilities	2,544	42,138
Short-term leases expense	-	-
Low value asset leases expense	-	-
Variable lease payment expense	-	-
	470,906	636,123
Total cash outflows for leases	470,906	636,123

9. PROPERTY, PLANT AND EQUIPMENT

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

9. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and equipment \$	Furniture and fixtures \$	Computer equipment \$	Total \$
Year ended 30 June 2021				
Opening net book amount	1,574,096	7,470	5,899	1,587,465
Additions	469,131	2,866	6,051	478,048
Revaluation	1,185,000	-	-	1,185,000
Disposal/Written-off	-	-	-	-
Depreciation charge	(20,102)	(6,056)	(2,588)	(28,746)
Exchange differences	-	-	-	-
Closing net book amount	3,208,125	4,280	9,362	3,221,767
At 30 June 2021				
Cost or fair value	3,249,319	15,816	15,083	3,280,218
Accumulated depreciation	(41,194)	(11,536)	(5,721)	(58,451)
Net book amount	3,208,125	4,280	9,362	3,221,767

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

The Company has order a ball mill from Christian Pfeiffer Group in Germany. An initial deposit of A\$442,260 has been paid.

From 1 July 2020, Mineral Processing Plant is recognised at fair value. The historical cost of the Mineral Processing Plant is \$1,500,000. The fair value of the Mineral Processing Plant is \$2,685,000. The difference between fair value and historical cost of \$1,185,000 is recognised as an Asset Revaluation Reserve.

No items of plant and equipment are secured against borrowings.

10. OTHER FINANCIAL ASSETS

	2021 \$	2020 \$
Non-Current		
Unlisted shares in other corporations	160,130	6,282
	160,130	6,282

During the prior year the Company executed an agreement with Coal Hub /Subiaco Capital to settle the outstanding costs order, for 6,282 shares of an unlisted Australian rare earth company (New Age Resources Pty Ltd).

During the current year New Age Resources Pty Ltd undertook a share purchase agreement with Megawatt Lithium and Battery Metals Corp, in which Elmore's 6,282 shares in New Age Resources were exchanged for 481,320 Megawatt Lithium and Battery Metals Corp shares. These shares are listed on the Canadian Securities Exchange (CNSX).

The investment is recognised at fair value through profit or loss.

11. TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
Current		
Trade payables	527,806	889,959
Premium funding	3,633	21,208
Other payables	73,948	313,437
	605,387	1,224,604

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

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

12. EMPLOYEE PROVISIONS

	2021 \$	2020 \$
Current		
Annual leave	85,620	26,784
Long Service Leave	-	40,908
	85,620	67,692
Non-Current		
Long Service Leave	-	-
	-	-

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

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

13. BORROWINGS

	2021 \$	2020 \$
Current		
Borrowings – equipment finance	43,752	
Non-Current		
Borrowings – convertible note (1)	-	567,808
Borrowings – equipment finance	-	60,460
Borrowings – other (2), (3) & (4)	-	200,212
	43,752	828,480

13. BORROWINGS (Continued)

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

The key terms of the Convertible Note are:

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

On 10 March 2021 the company issued 31,250,000 shares in repayment of the convertible note. A further 10,479,460 shares were issued on 26 April 2021 to repay the unpaid interest of \$167,671 accrued on the loan.

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

The key terms of the loan agreement are:

- Commencement date: 20 March 2020
- Principle sum: \$75,000
- Interest rate: 3.5% per month
- Fixed term: 20 June 2020, with a subsequent extension to 31 March 2021

This loan was repaid during the 2021 year.

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

The key terms of the loan agreement are:

- Commencement date: 24 March 2020
- Principle sum: \$100,000
- Interest rate: 3.5% per month
- Fixed term: 24 June 2020, with a subsequent extension to 31 March 2021

This loan was repaid during the 2021 year.

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

The key terms of the loan agreement are:

- Commencement date: 5 March 2020
- Principle sum: \$20,000
- Interest rate: 12.0% per month
- Fixed term: 5 September 2020, with a subsequent extension to 31 March 2021.

This loan was repaid during the 2021 year.

14. LEASE LIABILITIES

	2021 \$	2020 \$
Current		
Lease liabilities	-	470,906
	-	470,906

During the period all fixed term leases expired and have automatically moved to a periodic lease.

15. CONTRIBUTED EQUITY

Share capital

Fully paid ordinary share capital

2021 No.	2020 No.
668,113,642	307,129,182
668,113,642	307,129,182

Movements in ordinary share capital:

Details	2021		2021
	Number of shares	Issue price	\$
Opening balance	307,129,182		75,485,275
Issue of Shares – issued at \$0.02 (1)	269,255,000	\$0.02	5,385,100
Issue of Shares – issued at \$0.016 (2)	31,250,000	\$0.02	625,000
Issue of Shares – issued at \$0.02 (3)	50,000,000	\$0.02	1,000,000
Issue of Shares – issued at \$0.016 (4)	10,479,460	\$0.02	209,589
Balance as at 30 June 2021	668,113,642		82,704,964
Less equity raising cost for the period	-		(318,000)
Balance as at 30 June 2021	668,113,642		82,386,964

- (1) The company raised \$5,385,100 for 269,255,000 shares under existing approval to existing significant shareholders.
- (2) The company issued 31,250,000 shares to convert the Twynam Convertible note with a face value of \$500,000 under existing security holder approval.
- (3) The company raised \$1,000,000 for 50,000,000 shares using the company's 15% placement capacity.
- (4) The company issued 10,479,460 shares to convert the interest component of the Twynam Convertible note with a face value of \$167,671 under existing security holder approval.

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

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

Ordinary shares

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

15. CONTRIBUTED EQUITY (Continued)

Capital Risk Management

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

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

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

16. OTHER RESERVES

	2021 \$	2020 \$
Foreign currency translation reserve	-	-
Share based payment reserve	2,740,821	2,709,165
Asset revaluation reserve	1,185,000	-
	3,925,821	2,709,165
Movement:		
Foreign Currency Translation Reserve		
Balance at beginning of the financial year	-	(34,602)
Translation of foreign operations – recycled to profit or loss following loss of subsidiary	-	34,602
Balance at the end of the financial year	-	-
Share Based Payment Reserve		
Balance at beginning of the financial year	2,709,165	2,703,708
Fair value option expense	55,899	5,457
Balance at the end of the financial year	2,765,064	2,709,165
Asset Revaluation Reserve		
Balance at beginning of the financial year	-	-
Revaluation	1,185,000	-
Balance at the end of the financial year	1,185,000	-

Foreign Currency Translation Reserve

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

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

Share Based Payment Reserve

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

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

17. ACCUMULATED LOSSES

Balance at beginning of the financial year
Loss after related income tax
Balance at the end of the financial year

2021 \$	2020 \$
(78,285,822)	(76,355,620)
(3,401,791)	(1,930,202)
(81,687,613)	(78,285,822)

18. DIVIDENDS

No dividends have been declared or paid during the period.

19. AUDITORS' REMUNERATION

Amounts paid/payable for audit and for review of the financial statements for the entity or any entity in the Group

- BDO Audit (WA) Pty Ltd

Total auditor's remuneration

2021 \$	2020 \$
45,000	39,000
45,000	39,000

20. CONTINGENCIES

Gold Valley Iron Pty Ltd Matter

On 29 April 2019, Gold Valley Iron Pty Ltd (GVI) and Elmore entered into an Asset Sale Agreement and a Minerals Processing Agreement. Elmore held a first-ranking, registered security interest in respect of all GVI's present and after-acquired property. By a notice of termination dated 22 November 2019, Elmore terminated the Minerals Processing Agreement.

GVI asserted a claim against Elmore under the Asset Sale Agreement. The asserted claim in the GVI v Elmore Proceedings and the Elmore Claim against GVI under the Minerals Processing Agreement were, on a without prejudice basis, it was agreed by GVI, the Liquidators, the Former Administrators & Receivers and Elmore, to resolve and end all Claims between them, however arising, subject to and in accordance with the terms of a Deed of settlement.

Pursuant to this Deed, Elmore will receive a payment of \$98,860 from the Liquidators in settlement of their claim, whilst maintaining an interest in any successful litigation for insolvent trading that may be actioned against the Officers of GVI. This reserved debt amount, has a cap on it of \$500,000 + GST payable to Elmore in accordance with the Deed.

On 25th of May 2021 Elmore entered into an agreement with Gold Valley Iron and Manganese Pty Ltd (GVIM) whereby GVIM are to repay \$42,174 to Elmore in 6 equal monthly payment as compensation for costs incurred by Elmore when GVIM unsuccessfully disputed the legitimacy of the appointment of the Administrator. The agreement and cost order was made within the Magistrates Court of Western Australia. At the time of writing, GVIM were up to date on payments, having made the first payment on time.

21. RELATED PARTY TRANSACTIONS

Related Party Information

(a) Parent Entity

The parent entity within the Group is Elmore Limited.

21. RELATED PARTY TRANSACTIONS (continued)

(b) Subsidiaries

Interest in subsidiaries is set out in Note 21.

(c) Key management personnel compensation

	2021 \$	2020 \$
Short-term employee benefits	535,167	427,748
Post-employment benefits	33,448	28,302
Share-based payments	50,442	5,457
	619,057	461,507

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

(d) Transactions with other related parties during the period

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

From September 2019, Mr Mendelawitz rented accommodation in Pine Creek for the use of staff and contractors while working on the Francis Creek and Peko sites. Mr Mendelawitz did not use the site himself. The accommodation was rented from an unrelated third party and the amount of rent and expenses related to this equated to \$1,014, which is an arm's length amount. The Company paid for this on Mr Mendelawitz's behalf.

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

22. SUBSIDIARIES

Entity	Country of Incorporation	2021 %	2020 %
NSL Coal Pty Ltd	Australia	-	100%

. NSL Coal Pty Ltd was voluntary deregistered on 30 October 2020. The company was dormant and had no transactions at the time of deregistration.

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Peko Tailings Project – appointment of Administrator

Elmore has a service contract with ICA Mining Pty Ltd ("ICA") in which the Company provides a range of consulting services, including design, procurement and the construction management, of a magnetite processing plant to be owned by ICA and known as the Peko Tailings Project.

For this service Elmore received a \$100,000 + GST monthly retainer. In addition, Elmore is entitled to a \$AU2 per tonne royalty.

On 13 June 2021, the Directors of ICA appointed Mr Sule Arnautovic of Hall Chadwick as an Administrator in accordance with Section 436A of the Corporations Act 2001. At the time the Administrator was appointed the Company was owed \$660,000 in unpaid retainer fees.

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD (Continued)

A proposed Pooled Deed of Company Arrangement ("DOCA") was put forward by ICA's secured creditor.

The second creditors meeting was held on 16 July 2021, where creditors voted to accept the proposal to execute the DOCA which was duly executed by all parties on the same day.

The DOCA provides the ability for the planned tailings project to enter into a production phase under the direction of a new Board of Directors. It will allow for the continuation of business between ICA and its trade suppliers in respect of the set up and operation of the magnetite process plant.

Peko Tailings Project - Contract Expansion of Scope

Elmore had previously been working on the Peko project under a design and assist consultancy agreement throughout 2020 but has now executed final binding documents with ICA Mining in line with the previously announced Binding Memorandum of Understanding. This significantly expands the scope of the previous agreement.

Under the agreement, Elmore will complete the construction of stage 1 of the project, which involves installation of the processing equipment required to extract saleable magnetite from the tailings stockpile.

In exchange, Elmore will be entitled to 25% direct equity in two entities formed to house the Peko tailings magnetite ("Peko Iron") and Metals ("Peko Metals") projects and will be granted an exclusive right to mine and process.

Elmore will manage all elements of these operating entities and will have two (2) Directors on the entity's Boards, whilst ICA will have one (1). The monthly management fee will be increased to \$150,000 and will be paid by the Peko Iron to Elmore, in addition to a royalty of \$US2 per tonne of saleable magnetite instead of \$AU2 per tonne.

FINANCING MANDATE

Elmore has entered into a non-exclusive fund-raising mandate with MP Capital to raise up to \$6 million to complete the Peko Iron project.

Elmore is contemplating issuing a debt instrument, secured over the interest that will be earned in the Peko projects on commissioning.

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

24. CASH FLOW INFORMATION

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

	2021 \$	2020 \$
Operating loss after tax	(2,851,791)	(1,930,202)
Adjustment for:		
Depreciation and amortisation	426,893	677,619
Equity-settled share based payments	347,632	5,457
Right to use asset interest	2,544	42,138
Unrealised Gain	(153,848)	-
(Gain) /Loss on sale of subsidiary	-	(379,014)
Reclassification of foreign currency reserve	-	(34,602)
Changes in assets / liabilities		
- (increase) /decrease in other receivables	827,705	(446,932)
- increase /(decrease) for provision in deferred tax liability	-	(382,022)
- (decrease) /increase in provisions	17,928	(36,733)
- (increase) in other financial assets	(153,848)	(6,282)
- increase in accrued interest	183,186	152,571
- (decrease) /increase in trade and other payables	(619,217)	1,012,335
Net cash flow used in operating activities	(2,522,816)	1,325,448

(b) Non-cash investing and financing activities

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

25. LOSS PER SHARE

Basic loss per share

	2021 ¢	2020 ¢
Continuing operations	(0.83)	(0.70)
Total continuing and discontinued operation	(0.83)	(0.70)

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

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

	2021 \$	2020 \$
Loss from continuing operation for the year	(3,401,791)	(1,930,202)
Loss from total continuing and discontinued operation for the year	(3,401,791)	(1,930,202)

Weighted average number of shares used as the denominator

	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	410,109,250	303,815,826

26. SHARE-BASED PAYMENTS

Set out below are summaries of options granted:

Grant date	Expiry date	Exercise price \$	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number *	Forfeited / lapsed during the year Number	Vested and Exercisable at end of year Number	Not Vested and Exercisable at end of year Number
2021								
28/06/2018	28/06/2021	\$0.2091	333,334	-	-	333,334	-	-
02/03/2021	31/03/2023	\$0.05	2,000,000 (1)	4,000,000	-	-	6,000,000	-
Total			2,333,334	6,000,000	-	2,333,334	6,000,000	-
Weighted average exercise price			\$0.08	\$0.05	-	\$0.2091	\$0.05	-

1. 2,000,000 options were agreed in 2020 and formerly approved in 2021, \$5,457 was recognised as a share-based payment expense in 2021.

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

Weighted average contractual life of share options outstanding at the end of the period was 2.5 years (2020: 1 year).

Share-based payments recognised during the financial year:

	2021 \$	2020 \$
ESOP options issued – senior management option fair value expense	50,442	5,457
TOTAL	50,442	5,457

Mr Webster's director options, along with director options with Mr Richards and Dr Senapati where approved at the 2020 AGM held on 29 January 2021. The options have been valued at date of issue being 2 March 2021 at \$55,899 using the Black-Scholes option pricing model as the fair value of the services received can't be reliably measured using another method. The Black Scholes inputs and valuations were as follows:

Options

Number of options (1)	6,000,000
Valuation date	2 March 2021
Underlying spot price AUD \$	\$0.025
Exercise price AUD \$	\$0.05
Expected volatility	100%
Expiry date	31 March 2023
Expected dividend yield	Nil
Risk free rate	1.50%
Valuation per option AUD \$	\$0.0093

26. SHARE-BASED PAYMENTS (Continued)

The amount expensed in the 2021 year has been reduced for the amount expensed in the 2020 year being \$5,457

At the General Meeting held on 5 July 2019, the shareholders of the Company voted to award Mr Mendelawitz up to 47,000,000 production incentive shares, short term incentive shares and long term incentive shares. Mr Mendelawitz's entitlement to the production incentive shares was subject to the Company commissioning a process plant being completed on time and on budget within 5 years of shareholder approval. These options were put to shareholders at the 2020 AGM held on 29 January 2021, where they were passed by shareholders. Due to the vesting conditions placed upon these options they have not at this time been issued to Mr Mendelawitz, and at this time no amount has been expensed in the 2021 financial year as the probability of achieving the vesting conditions is deemed to be 0%.

27. PARENT ENTITY FINANCIAL INFORMATION

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

	2021 \$	2020 \$
Statement of Financial Position		
Current assets	2,969,065	1,361,788
Total Assets	6,434,724	3,006,307
Current Liabilities	689,759	2,591,682
Total Liabilities	689,759	2,591,682
Shareholders' Equity		
Share Capital	82,726,053	75,991,282
Reserves	3,894,165	2,709,165
Accumulated losses	(80,875,253)	(78,285,822)
Loss for the year	(2,589,431)	(1,930,202)

DIRECTORS' DECLARATION

In the directors' opinion:

- a) The financial statements and notes set out on page 33 to 61, are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of their performance for the financial year ended on that date;
- b) Subject to the matters highlighted in Note 1 (b), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2021.

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

On behalf of the Directors



David Mendelawitz
Managing Director

Elmore Limited

Dated 30 September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Elmore Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Elmore Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

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

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

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

Material uncertainty related to going concern

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

Key audit matters

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

Valuation of Property, plant and equipment

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 9 of the financial report the mineral processing plant included in property, plant and equipment is held at fair value.</p> <p>The fair value is determined using market value of the assets being the value expected to be received in exchange for the property, plant and equipment between a willing buyer and willing seller.</p> <p>Due to the level of judgement involved in the valuation of the property, plant and equipment and the significance to the Group's financial position, this is considered to be a key audit matter.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none">• Assessing the competence, objectivity, and capability of managements valuation expert;• Attending a sight visit to assess the condition and existence of the property, plant and equipment;• Assessing the key assumptions contained in the fair value assessment including source data and valuation methodology used; and• Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 23 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Elmore Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

BDO Audit (WA) Pty Ltd

The block contains a handwritten signature in black ink. The signature appears to be 'J Prue' written in a cursive, flowing style.

Jarrad Prue

Director

Perth, 30 September 2021

ASX ADDITIONAL INFORMATION

The securities exchange information set out below was applicable as at 29 September 2021.

Distribution of Holders of Equity Securities

Distribution of Holders of Equity Securities	Ordinary Shares	Unlisted Options
1 to 1,000	619	-
1,001 to 5,000	622	-
5,001 to 10,000	356	-
10,001 to 100,000	724	-
100,001 and over	392	3
	2,713	3

Twenty Largest Holders of Quoted Equity Securities

Distribution of Holders of Equity Securities	Ordinary Shares	Percentage
TWYNAM INVESTMENTS PTY LTD	70,144,518	10.50%
FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	65,113,283	9.75%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	50,000,000	7.48%
SB & ET HOLDINGS PTY LTD	26,000,000	3.89%
ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	22,175,983	3.32%
EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	20,000,000	2.99%
MR PETER DIAMOND & MRS DIANA DIAMOND <P & D DIAMOND SUPER FUND A/C>	20,000,000	2.99%
DAK DRAFTING SERVICES PTY LTD <THE PETER DIAMOND FAMILY A/C>	14,642,596	2.19%
MR PETER IAN RICHARDS	11,684,963	1.75%
MR CHRIS DYLAN JUDD & MRS REBECCA JANE JUDD <JUDD SUPER FUND>	10,000,000	1.50%
DR JON DAVID SAINKEN	10,000,000	1.50%
T T NICHOLLS PTY LTD <TT NICHOLLS P/L S/FUND A/C>	9,000,000	1.35%
TW CONSTRUCTION SERVICES PTY LTD <TCW HOLDINGS A/C>	6,970,000	1.04%
FIORI PTY LTD	6,910,905	1.03%
SEABIRD INVESTMENTS (WA) PTY LTD <THE JA SUPERANNUATION A/C>	6,500,000	0.97%
AH SUPER PTY LTD <THE AH SUPER FUND NO 3 A/C>	6,419,615	0.96%
MRS WENDY KAREN WEBSTER	5,540,407	0.83%
GA WOOD HOLDINGS PTY LTD <GA WOOD HOLDINGS A/C>	5,400,000	0.81%
GINGA PTY LTD <TG KLINGER S/F A/C>	5,010,000	0.75%
GFS SECURITIES PTY LTD <GLENFARE SUPER FUND A/C>	5,000,000	0.75%
MR IAN MICHAEL PATERSON PARKER & MRS CATRIONA SYLVIA PARKER <IMPP A/C>	5,000,000	0.75%
MR DAVID KLINGER	5,000,000	0.75%
KHE SANH PTY LTD <TRADING NO 1 A/C>	5,000,000	0.75%
MR NIKHILESH SENAPATI & MRS ROSHNI SENAPATI <THE SENAPATI FAMILY A/C>	5,000,000	0.75%
MR RICHARD STIRLING MICKLE <SCALLYWAG FAMILY NO 2 A/C>	5,000,000	0.75%
ARAGUM PTY LTD	5,000,000	0.75%
FAIRBROTHER HOLDINGS PTY LTD	5,000,000	0.75%
MR ALEX ELBERG	4,500,000	0.67%

MR BRUCE SHANNAHAN	4,000,000	0.60%
Total	420,012,270	62.87%
Total issued capital - selected security class(es)	668,113,642	100.00%

ASX ADDITIONAL INFORMATION (Continued)

Substantial Shareholding

As at 30 September 2021, the substantial holders of the Company's share capital where:

Holders of Equity Securities	Ordinary Shares	Percentage
TWYNAM INVESTMENTS PTY LTD	70,144,518	10.50%
FIRST SAMUEL LTD	65,113,283	9.75%
CS THIRD NOMINEES PTY LTD	50,000,000	7.48%

Number of Holders of Equity Securities

Ordinary Share Capital

There are 668,113,642 fully paid ordinary shares on issue, held by 2,713 individual shareholders. Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

Options/rights over Unissued Ordinary Share Capital

There are no listed options on issue. Listed options do not carry a right to vote.

There are 6,000,000 unlisted options on issue, held by 3 individual holder. Unlisted options do not carry a right to vote.