



December 6<sup>th</sup>, 2021

## MARKET UPDATE

### KEY POINTS

- Elmore completes A\$3.0 million placement to sophisticated and leading institutional investors at \$0.02 per share
- Proceeds from the Placement will be used to complete stage 1 of the Peko Magnetite Project and the final payment on the new ball mill for the Territory Minerals project
- New ball mill ready for shipping
- Port agreement executed

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Elmore Ltd (ASX: ELE, "the Company") is pleased to update the market on the achievement of several major milestones.

### Capital Raise

The Company has successfully completed a A\$3.0 million placement offer of new, fully paid ordinary shares ('New Shares') to sophisticated and institutional investors ('Placement') at an issue price of \$0.02 per New Share ('Offer Price'). The Placement was strongly supported by existing and new investors.

The Offer Price of A\$0.02 represents a discount of 13% to the Company's last closing price of \$0.023, a 4% discount to the Company's 15-day volume-weighted average price (VWAP) of \$0.0209 and a 1% discount to the 30-day VWAP of \$0.0202.

New Shares will be issued to Placement participants on or around 8 December 2021 and are within the Company's placement capacity under Listing Rules 7.1 (100,217,046 shares) and 7.1A (66,811,364 shares). New Shares will rank equally with existing fully paid shares of the Company. No New Shares were issued or agreed to be issued in the Placement to a related party, or otherwise to any person referred to in Listing Rule 10.11.

The Company led the raise with the support of several brokers who already represent existing funds and high net worth Individual shareholders. Brokers that facilitated the raise will be paid a 5% fee on the transaction. Funds that came in directly will not be subject to brokerage.

Funds raised from the Placement will be used for:

- Completion of Stage 1 of the Peko Magnetite Project; and
- The final payment on the new ball mill for the Territory Minerals project.

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The Company sought to raise \$2.5 million, though was heavily oversubscribed. Elmore's Board concluded that although they have attempted to minimise dilution to existing shareholders, that accepting some of the additional funds subscribed for would not only add further substance to the register with the addition of a number of new supportive funds and individuals, it provides a greater margin through the ramp up of the Peko project and potentially allow the Company to explore some exciting opportunities that it has been working on beyond the current projects.

## **Ball mill built and ready for shipping**

Elmore's new ball mill is ready to ship to Australia. The mill has been manufactured by the Christian Pfeiffer Group in Europe and China specifically for Elmore's requirements.

The mill will be assembled in Western Australia and be equipped as a skid mounted mill to be used on Elmore's proprietary modular foundations.

The mill is planned to be used in conjunction with Elmore's currently owned mobile crushing and screening plant in the Territory Minerals gold and antimony projects in Far North Queensland next year.

With a power rating of 1.15 mW, to the best of Elmore's knowledge this will be the biggest moveable ball mill in the world. Part of the proceeds of this raise will be used to make the final payment on the mill and bring it to Australia.



*The Ball Mill Shell During Construction*

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## **Port access and minerals shed lease**

Elmore and Darwin Ports has now executed the two agreements required to allow Peko's magnetite product to be stored and moved through the port of Darwin. Along with the previously executed rail access agreement with OneRail, these agreements provide the certainty to move the product from mine to buyer.

## **Managing Director's comments**

Commenting on the Company's capital raise and other milestones, Managing Director Mr David Mendelawitz stated "Elmore is pleased with the response to this Placement, noting that it was oversubscribed and supported by a range of new and existing high net worth sophisticated and institutional investors. This Placement will enable Elmore to finalise stage 1 of the Peko Magnetite Project which will lead to a regular revenue stream for the Company. It will also allow for the final payment on the new ball mill currently earmarked for use in the Territory Minerals Project. Whilst the Board always carefully considers the impact on shareholders when issuing new stock, in this circumstance we believe that both the initial sum sought and the extra accepted will place the Company in a position to generate strong returns for all shareholders.

On behalf of the Board of Directors, I would like to thank all employees and contractors of Elmore for their hard work and loyalty in working towards finalising the Peko Project. Our team are hard at work finishing the build of Peko in +40-degree heat, knowing that even though they are on track to finish construction before Christmas, the current rules in place will mean that it is unlikely that they will be able to be home with their families for Christmas due to the requirements for 14 days quarantine after leaving the Northern Territory. I am unbelievably proud of their commitment and the results that they are achieving.

With the funds raised and all material logistics contracts executed, we now look forward to watching the first train leave Tennant Creek for Darwin in the very near future. With the new ball mill built, paid for and ready for shipping, we are also getting excited about our next project. Using what we believe to be the world's largest mobile ball mill, we will be show casing the keystone of our long-term business strategy."

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