



December 24th, 2021

MARKET UPDATE PEKO PROJECT PROGRESS REPORT

KEY POINTS

- Construction of the Peko Magnetite plant civils, structural and equipment installation has been completed,
- Reticulation of electrical circuits being undertaken in preparation for commissioning of plant
- Port handling and stevedoring contract executed with Linx Port Services
- Half-height sea containers and materials handling equipment secured and on route to Peko
- Project has managed to continue safely through both Tennant Creek and Northern Territory to Western Australian COVID related restrictions and remains on track for first product on train in the coming weeks

Elmore Ltd (ELE: ASX or Elmore) is pleased to provide an update on the development of the Peko Magnetite, Gold, Copper and Cobalt project in the Northern Territory, which it is managing the delivery and operations of, for a management fee, royalty and 25% of profits, on behalf of the project's owners ICA Mining.

The Company has now reached the significant milestone of completing the installation of all processing equipment to enable it to extract high grade magnetite concentrate and is now working to rapidly complete the process of reticulation of the electrical cabling to allow for the completion of commissioning and commencement of production. Due to the small footprint of the plant and nature of the equipment, which has in most part been tested off-site prior to installation, this process is anticipated to be short.

In preparation a contract has been executed with Linx Port Services, where Linx will provide port handling and stevedoring services for the project. The company has also hired or procured and commenced mobilising to site all the required sea containers and material handling equipment in preparation for the first ore on train, which is expected to be achieved in the coming weeks.

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*Process plant with magnetite tailings stockpile in the background
Photo includes scrubber (background left) mixing tanks (ground level), multiple magnetic separators, cyclones
and Derrick screens (elevated)*



Main motor control room, two of four contract diesel generators and one small ancillary generator.

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Screw press and screw press control room – used for dewatering tailings



Two ceramic disk filters, each with a magnetic separator – these units will de-water the final magnetite concentrate prior to it being loaded into half height sea containers to be sent to port



Managing Director's Comments

Elmore's Managing Director Mr David Mendelawitz commented "I am delighted to be able to make this announcement just before Christmas and hope that the photos will represent a great Christmas card for our shareholders. To say that what our team has achieved in four short months is an achievement would be a significant understatement. With the border between the Northern Territory and Western Australia closed, with recent lockdowns in Tennant Creek, a very tight budget and a widely publicised labour shortage across the industry, I struggle to see how the Elmore team and the many supporting service companies could have done a better job. Most importantly, this milestone has been achieved without injury or incident.

With the current price for 65% Fe magnetite concentrate trading around \$US160 per tonne, we look forwards to commencing both sale of magnetite and the next stage of work to extract the valuable gold, copper and cobalt from the project."

About the Peko Project

- Peko's operations are located 12km from the Adelaide-Darwin railway and 10km from the town of Tennant Creek
- Peko consists of 3.75 million tonnes of tailings containing magnetite, 138,000 ounces of gold, 9,567 tonnes of copper and 3,953 tonnes of cobalt ready to process
- Elmore has been contracted to deliver and manage the Peko project for the ultimate owners, ICA mining, in exchange for a management fee, royalty and 25% of the project profit
- Peko is fully permitted for stage 1 – magnetite removal
- The project is anticipated to produce 2-2.5 million tonnes of magnetite concentrate over circa 6 years
- Sealed roads connect the mine to a rail siding and stockpile area
- Port and rail ready for export using existing facilities and intermodal rail services
- Mine life is expected to be initially ~5 - 7 years with the potential to extend
- Production initially based on recovering magnetite at a rate of 350,000 tonnes, ramping up to 500,000 tonnes per annum if rail capacity can accommodate
- Stage 2 – gold removal via flotation is targeted for mid-2022
- Stage 3 – gold removal via leaching is targeted for late-2022
- Peko will produce 65 - 67% Fe magnetite product, which will trade against the 65% Fe index with an additional premium payment for concentrate.
- Elmore will manage the project and all operations
- The project has robust economics

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