

ELMORE

February 9th, 2022

Market Update

KEY POINTS

- Stage 1 of Peko Magnetite Process plant construction completed with magnetite material introduced into the plant
 - Mr Andy Haslam joins Elmore's Board as a Non-executive Director
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Elmore Ltd (ELE: ASX or Elmore) is pleased to provide an update on the development of the Peko Project and the appointment of a new Non-executive Director.

The Company has now reached the significant milestone of completing construction of the magnetite process plant at Peko with plant optimisation underway.

Stage 1 is designed to process an in-feed of 100 tonnes per hour to deliver circa 60 tonne per hour of high-grade magnetite concentrate.

All logistics associated with road, rail and ports are engaged to commence transportation of ore to the Port of Darwin, which is targeted to commence once the Adelaide to Darwin line re-opens in the coming weeks. The line is currently under repair after being damaged by recent heavy rainfall and associated flooding in South Australia. Elmore will now concentrate on plant optimisation, product evaluation and finalisation of any remaining administrative requirements required to achieve steady state production and sales.

To date, all test-work and previous pilot scale production by others at Peko indicate that the plant will produce a very high-grade magnetite product.



*Commissioning ore running through Peko Magnetite Recovery Plant
(note photographed under controlled conditions with guarding removed)*

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Process water tanks, mixing tanks, cyclone and magnetic separator tower in the background



Main feed from scrubber to mixing and magnetic separation tower

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Twin ceramic disk filters and magnetic separators for drying final product.

ICA Directors Comment

Mr David McIntosh of ICA commented “As the Director of ICA Mining and its subsidiaries, I’m extremely pleased with the partnership with Elmore. This initial construction and start-up period has had its difficulties, but the integrity and professionalism of the Elmore Board has enabled us to address the issues commercially and with alacrity. The speed of the construction at such a remote location as the Peko site at Tennant Creek has been impressive, and the value multiplier of the Board and the professionals in the company bode well for future activities onsite.

I’m looking forward to the coming years with Elmore leading the operations onsite and obtaining significant returns to all parties involved.”

New Non-Executive Director

Mr Andy Haslam has joined the Board of Elmore as a Non-Executive Director.

Mr Haslam has more than 35 years of mining experience as both a mining contractor and as a mine owner with Australian based companies. He has worked with AWP Contractors, HWE Mining, Minerals Resources and Thiess. He has previously been CEO of ASX listed companies Vital Metals and Territory Resources, non-executive director of BC Iron, Vimy Resources and Chairman of Resource Development Group.

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As a contractor and consultant, Mr Haslam has been responsible for large multi metal open cut mining operations, process plant construction, complex mining logistics, construction of rail rolling stock and large mine operational improvement programs across a range of commodities including gold, iron ore, nickel, copper, uranium and Tungsten. He is based in Perth and currently the General Manager Mining, WA/ SA for Theiss.

Andy joins the Board as Elmore transitions from a small-scale processing contractor into a mine operator with oversight over mining, processing, logistics and all associated technical and administrative functions.

Managing Director's Comments

Elmore's Managing Director commented *"This is a milestone day for us that I am very proud of. Building a resource project is never easy, as they are complex, have lots of interdependencies and are generally in isolated areas where logistics and access to resources and working conditions are a challenge. Our team faced, and still face, border challenges, local COVID related lock-downs and lock-outs, challenging labour markets, supply chain and resourcing constraints and often brutal weather conditions, yet they managed to build the majority of a plant in Western Australian and send it to the centre of Australia to complete fabrication and assembly. I say this not for sympathy or praise, but to share the pride that I have of our small team who have done it tough and delivered."*

The commencement of Peko production will be transformational for Elmore. The Peko tailings project holds a significant store of value that will be unlocked, starting with this Stage 1 magnetite plant, but most likely also to be aided by bolt on additions to the plant to recover gold, copper and cobalt. During the year, as Peko hopefully settles into the hum of steady state, we will be accelerating the delivery of our next project, gold and antimony from Queensland."



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