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March 11th, 2022

Market Update

KEY POINTS

- Peko Magnetite plant commissioning complete
- First product moved to Darwin Port
- Ball mill re-financed

Elmore Ltd (ELE: ASX or Elmore) is pleased to provide an update on the development of the Peko Project and funding initiatives.

Peko Magnetite Plant Commissioned

The Peko Stage 1 Magnetite Processing Plant has now been commissioned and has generated its first product. Magnetite production will increase to steady state shortly, as the projects transfers from using water trucked into site for commissioning onto scheme water. The water pipeline between the Tennant Creek bore-field and the plant is in place and the final administrative steps have been actioned to install a new water meter and turn the water on.

Transportation of Product has Commenced

The first train of magnetite product has now arrived at the Port of Darwin. The material has been sent to “commission” the logistics circuit end-to-end. The material sent to the Port was magnetite product produced and stockpiled from previous operations on site.



Containers of Magnetite being loaded onto truck for transport to rail siding approx. 20km away

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Normal rail packages will be 52 containers each containing circa 27 tonnes of material. 5 packages will be dispatched per week. The first load consisted of 22 containers, each deliberately light loaded to between 20-25 tonnes each. Two further similar partial loads are now in various stages of the journey to Darwin.

The Company is now focused on end-to-end optimisation of the production and logistics efficiency.

Elmore have now issued shares to ICA's nominee Brooklyn for 75% of Peko Iron, as per the agreement.

Peko Iron is now working with several steel mills to determine whom will be the best off-take partner, based on price, payment terms and bono fides. It will take at least a month to build a ship-sized stockpile and during that time the Company plans to complete the sale of the ore. Currently, all parties that are seeking off-take want to take all of the ore for the life of mine.



Containers containing magnetite product unloaded at Tennant Creek rail siding

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First train ready for departure



First train of Peko Magnetite arrives in Port of Darwin

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First container unloaded in the leased Minerals Shed in Darwin



Magnetite product in Darwin Port Minerals Shed

Ball Mill Re-financed

Elmore has previously announced that as part of its project finance package that the Company was seeking to re-finance the nearly purchased ball mill with a debt facility. This has now been completed via a funding facility provided by Avior Capital Partners.



The terms of the Note are:

- \$AU1,200,000 face value
- 24-month term
- 15% interest
- Note repaid over 24 equal payments
- 10% initiation fee and exit fees
- Up to 20% of exit fee can be taken as shares priced at \$0.025 share price (max 2,000,000 shares)
- Secured by way of General Security Agreement and specific security agreement over ball mill

Managing Director's Comments

Elmore's Managing Director Mr David Mendelawitz commented, "*The has been a great week for Elmore, its partners and its stakeholders. We look forward to providing plenty of positive news as we ramp this project up, start focusing on the other metals at Peko and progressing other projects.*"

END