



April 14th, 2022

Market Update

KEY POINTS

- Peko Magnetite commercial production commenced
- Scheme water connected
- Logistics commissioning completed

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

Peko Magnetite Commercial Production Commenced

Following the previously announced completion of commissioning of the Peko Stage 1 Magnetite Processing Plant and commencement of commissioning of the logistics system from the mine to the Port of Darwin, NT Power and Water has now connected the scheme water required to commence commercial production.

Production has now begun to ramp up to meet the rail capacity constraint of 350,000 tonnes per annum. The ramp up will mainly entail safely transitioning from single shift, daylight only processing, to adding a night shift to allow for 24 hour per day production. Elmore will take a conservative approach to this transition from construction and commissioning to full time production to ensure that safe and efficient operations are the priority over speed.

All infrastructure is in place and the process has been tested through the delivery of 3 trains whilst waiting for the water to be connected to allow for full production. The Northern Territory Mines Department, Port of Darwin, OneRail and Linx Stevedoring have now been notified of the commencement of commercial processing and will commence logistics services.

At the time of writing of this announcement, the China Steel Index 65% magnetite concentrate index is around \$US200 per tonne.

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Peko Magnetite Plant from the Air



Peko Magnetite Plant, next to Peko circa 3.75MT stockpile, with Screw-press (for drying tailings) in centre foreground.

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Peko Magnetite Plant with Stockpile in the background. Stockpile is over 400m x 500m x 9m

Managing Director's Comments

Elmore's Managing Director Mr David Mendelawitz commented, *"Today marks exactly one year to the day since Elmore was reinstated to official quotation on the ASX. Whilst it hasn't been easy, we are a very proud of what we have achieved against all odds, both in regards to return to shareholders and the delivery of our first, cornerstone project.*

Between searing heat and flooding downpours, COVID related delays, limitations and price escalation, rail lines being washed out and then a painful wait for the process water supply to be turned on and then in the last 2 weeks having to dig up and repair around a dozen major leaks that were discovered across the 7 kilometre buried water pipeline that we are now connected to - we have been put to the test on this project.

Commencement of commercial production at Peko is a monumental milestone for us as a small, start-up service company.

We look forwards to both making Peko operations a success through firstly the sales of magnetite and then adding copper, cobalt and gold, but also using Peko as a stake in the ground to develop a successful mining services company as we add other operations to our portfolio, including the Territory Minerals Far North Queensland gold and antimony projects.

I am grateful to all of my supporting stakeholders, from the shareholders, Territory Government, suppliers, contractors and in particular our small but dedicated and very capable team. This has been a tremendous achievement."

END