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22ndth August 2022

CAPITAL RAISING

KEY POINTS

- Elmore receives firm commitments for A\$4.35 million placement to sophisticated and leading institutional investors at \$0.03 per share
- Part of the proceeds from the Placement will be used to purchase and move plant and equipment that the company has secured to recover copper and cobalt from Peko

Capital Raise

Elmore Limited (ASX: ELE) ("**Elmore**" or "the **Company**") is pleased to announce that it has received firm commitments to raise \$4.35 million (before costs) at an issue price of \$0.03 per share ("**Share**") via a strongly supported placement to sophisticated and professional investors ("**Placement**").

Funds raised from the Placement will be primarily applied towards the purchase, deconstruction and movement of plant and equipment for copper and cobalt processing at the Peko Project (~\$1.5 million), bonds over sea containers, spare parts for the process plant, a flotation and regrind circuit on Peko plant, costs associated with the progressing of the Territory Minerals project development, capital raise costs and general working capital

Commenting on the exciting future ahead for Elmore, Managing Director, David Mendelawitz, said:

"We are very pleased with the strong support shown for this capital raising from both our existing shareholders as well as a number of new sophisticated and professional investors. These funds significantly strengthen our balance sheet and will help transform the Company from a single to a multi commodity producer."

"With the completion of the first revenue milestone last week, we now look forward to hitting the full targeted rate of production to 350,000 tonnes per annum as well as our focus on commencing copper and cobalt, followed by gold, production."



Placement Details

The Placement price of \$0.03 represents a 11.76% discount to the last close of price on Thursday, 11 August 2022 (A\$0.034). The Placement Shares will be issued in a single tranche pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 (144,500,000 Shares) and ASX Listing Rule 7.1A (500,000 Shares).

The Placement Shares are expected to settle on Tuesday, 30 August 2022 and will commence trading on the ASX on a normal basis on Wednesday, 31 August 2022.

Shaw and Partners Limited and Euroz Hartleys Limited acted as Joint Lead Managers to the Placement.

In addition, the Company will seek shareholder approval for Andy Haslam to invest up to \$25,000 by subscribing for Shares on the same terms as the Placement.

The Company's shares are expected to resume trading on the ASX from market open today, 22nd August 2022.

The Joint Lead Managers will be paid a 6% fee on the Placement plus, subject to shareholder approval, 1 option for every 5 shares issued (priced at \$0.06 per share, 3-year term). Approval will be sought at the Company's AGM in Q4 2022.

Copper and Cobalt Recovery Plant Purchase

The company is preparing to start extracting copper and cobalt from the tailings resource.

Approximately half of the copper in the stockpile and a third of the cobalt in the stockpile is water soluble, meaning that when the dry stacked material is loaded into the plant and mixed with water, these metals go into the process water.

Elmore has designed a process to remove the water-soluble metals through a chemical process. This process will produce two saleable products – Copper Carbonate and Cobalt Sulphide.

The remaining copper and cobalt will be stored as mineralised tailings. The Company believes that it can recover substantially more of the copper and cobalt after the water-soluble material has been recovered by oxidising the material whilst it is stored in tailings, before being re-feed into the plant. Elmore is currently completing the laboratory work to define the efficiency and economics of this process.

The Company has identified and secured a process plant, based in Western Australia, that matches the process and scale required for Peko. The plant was recently put into care and maintenance after working for a relatively short period of time as a pilot plant recovering other similar commodities. This plant was built and run by several of Elmore's current key Management and Contractors, who have joined Elmore and are responsible for the design and management of copper and cobalt recovery and are thus both very familiar of the plants condition and operations.

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The Company is allocating \$1.5 million of the raise to purchase and move the plant. Re-construction and commissioning is expected to be funded from cashflows from magnetite sales. The work package is expected to take approximately 6-8 months to complete.

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This release has been authorised by Elmore's Board of Directors