

16 March 2023

ELMORE LTD

ASX: ELE

"Unlocking Value by Providing Bespoke Equipment and Technical Expertise to the Mining Sector"

## BOARD/MANAGEMENT

Mr David Mendelawitz  
MANAGING DIRECTOR

Dr Nik Senapati  
NON-EXECUTIVE DIRECTOR

Mr Tim Webster  
NON-EXECUTIVE DIRECTOR

Mr Andy Haslam  
NON-EXECUTIVE DIRECTOR

Sean Henbury  
COMPANY SECRETARY

OFFICE  
Suite 4  
66 Belgravia Street  
BELMONT WA 6104

CONTACT DETAILS  
+61 (8) 6323 2310  
info@elmoreltd.com.au  
www.elmoreltd.com.au

## Market Update

### Highlights

- Between late December 22 and early March 23 Elmore's Peko operations were significantly impacted by weather events resulting in delays in the plant ramp-up, significant lost production time, restricted site access (particularly heavy equipment) and multiple separate impacts to rail availability.
- During this period the company has carefully managed its cash reserves prioritising cash only for activities required to ramp-up and maintain production operations.
- In recent weeks Elmore has achieved consistent magnetite production with around 21kt of magnetite at or in transit to the port and further on site waiting to be loaded.
- With significant product at port, a growing stockpile on site and recent production results, the company has confidently booked a ship schedule to arrive at Darwin port between the 7th and 14th of April.
- Elmore expects approximately 30kt of high-grade magnetite to be loaded onto the ship with current pricing for our product of approximately AU\$218 per tonne.
- As the traditional wet season is near its end we look forward to continuing to ramp up to full magnetite production in the near term with a 3<sup>rd</sup> weekly rail service commencing from next Monday.

### Commentary

As previously announced and frequently publicised in mainstream media, the north of Australia has experienced a wet season that has including significant rain events beyond what is normally expected.

Since late December 22 until early March 23 Peko has been significantly impacted by weather, both directly on site and more recently through significant disruption to rail services.



These weather events have led to the shipment dates of Peko's high-grade magnetite being moved multiple times to ensure that the Company can maximise the profits from the sale of product, after shipping and loading costs.

The Company has now set a laycan (ship arrival period) of 7<sup>th</sup>-14<sup>th</sup> of April, meaning that the ship will arrive within that period. Loading of the ship is expected to take 3 days.

Subject to any further weather events, the Company is targeting around 30,000 wet metric tonnes to be loaded into the ship, with a moisture level below 10%. The current benchmark PLATTS price for 65% Fe magnetite is around US\$147(AU\$221) per dry metric tonne. Elmore receives the index price minus 1% corrected against iron grade, moisture and impurities.

Whilst wet weather slowed down de-bottlenecking and plant ramp up, the process has now accelerated, and production rate is steadily increasing.

Based on the performance improvements and milestones achieved on rail availability, the company is commencing running a 3<sup>rd</sup> regular weekly service of product to Darwin from next week (20<sup>th</sup>/21<sup>st</sup> March).

Commencement of the third service means that production of magnetite from Peko is generating positive cash-flow at the current iron ore price. The transition from 2 weekly rail services (circa 1250 tonnes per service) to 3 services per week sets in place labour and equipment to enable the rail service to progress to the final target of 5 services per week once production and testing of operational processes is optimised.

**Elmore's Managing Director Mr David Mendelawitz commented:** "Whilst the recent weather events have presented unprecedented challenges to the Peko magnetite ramp-up, I am extremely proud of the way our team diligently managed through this period, setting us up to capitalise on strong iron ore prices, rapidly move toward full production and ensuring we have the opportunity to grow shareholder value in an exciting year ahead."

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

**For further information please contact:**

David Mendelawitz, Managing Director

**Elmore Ltd**

**Phone:** +61 6323 2310

**Email:** [info@elmoreltd.com.au](mailto:info@elmoreltd.com.au)

**Website:** [elmoreltd.com.au](http://elmoreltd.com.au)

## ABOUT ELMORE

Elmore is an ASX listed contract mineral processing and development company which employs mobile plant and equipment, allowing the company to generate meaningful financial returns via the development of niche orebodies and mining projects.

The company has access to deep technical expertise, allowing Elmore to provide geological, metallurgical & process engineering, OH&S, mechanical and mining engineering consulting services and advice to the mining industry.

Elmore owns 100% of the NT-based Peko magnetite mining operation. Elmore acquired Peko after 12 months of work to design, build and commission the project's mining and processing operations as a contractor. Whilst Peko will initially focus on producing an iron magnetite product, the Elmore team plan to utilise wholly owned plant and equipment to produce copper, cobalt and gold from a tailings deposit at the Peko operations.