

12 April 2023

H1F23 Results & Market Update

Highlights

- Practical completion of the Peko Sale and Purchase Agreement has occurred as outlined in the announcement made this morning titled "Practical Completion of Peko Acquisition".
- As a result of management control of the Peko project during the first half year, Elmore has consolidated 100% of Peko Iron Project Pty Ltd for the half year ending 31 December 2023 and will continue to operate on a fully consolidated basis moving forward.
- The consolidation and a number of other technical accounting decisions have been the primary cause of the delay in finalising the financial statements and first half audit review.
- Re-financing of Vendor Finance package progressing well.
- During the half Elmore entered into a magnetite offtake agreement with Royal Advance and in December loaded and sent its first shipment of high-grade magnetite to China.
- Subsequent to 31 December 22, the company has been heavily impacted by adverse weather conditions however has continued to increase production output through process and plant optimisation and further refined is logistics circuit.
- The company confirms circa 30,000 tonnes of high-grade magnetite is at or on its way to port ready to be loaded on a ship.
- Ship confirmed to arrive at the port of Darwin on Thursday with product pricing confirmed at circa AU\$202 per dry tonne (+/- grade corrections). Loading is expected to take 5 working days.

Update

Whilst we are disappointed with the delay in finalising our first half financial statements, we are pleased to today be announcing practical completion of the purchase of the Peko project. Our accounts are presented on a fully consolidated basis, representative of the management control, right to fund and subsequent right to earnings that Elmore has had over the project.

The Company is working closely with Azure Capital to complete the re-financing of the Vendor Finance package and is at an advanced stage with several parties.



ELMORE LTD

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

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The structures under review and consideration are debt and/ or royalty based, rather than equity based.

The Company has a high level of confidence that financing can be completed on favourable terms.

Production and logistics is continuing to ramp up well and in line with our current forecasts. As production continues to grow and we stabilise 3 rail services per week, we expect to be in a position to increase the weekly rail service schedule in the near future.

The second shipment is ready for loading at the Darwin port, with over 27,800 tonnes stored in the Minerals Shed and more product outside remaining to be discharged from the rail containers.

The ship is scheduled to arrive in port on Thursday 13 April 2023.

Elmore's Managing Director Mr David Mendelawitz commented: "I am very pleased with the progress we have been making and I am encouraged that the project milestones achieved in the past couple of months set us up for continued success and growth."

"With production and sales of magnetite progressing well, aided by favourable weather, we look forwards to reaching our magnetite production targets in the near future, completing the refinancing activities and continuing to build scale and reliability into our operations."

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

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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.