

Elmore Limited

ACN 057 140 922

NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)
DATE: 30 August 2023
PLACE: Armada Accountants & Advisors
18 Sangiorgio Court
Osborne Park WA 6017

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 28 August 2023.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Sean Henbury, on 08 6165 4000.

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Important information

1. Time and place of meeting

Notice is given that the General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (WST) on 30 August 2023. The General Meeting will be held at Armada Accountants & Advisors, 18 Sangiorgio Court, Osborne Park WA 6017.

The accompanying Explanatory Statement and Proxy Form provide additional information relating to the matters to be considered at the General Meeting, and form part of this Notice of General Meeting.

Instructions on how to attend the Meeting and vote are in the Explanatory Statement.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

Terms used in this Notice of General Meeting will, unless the context requires, have the same meaning given to them in the Glossary as contained in the Explanatory Statement.

2. Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00pm (WST) on 28 August 2023.

3. Voting

Voting in person

To vote in person, attend the General Meeting at 10:00am (WST) on 30 August 2023 at Armada Accountants & Advisors, 18 Sangiorgio Court, Osborne Park WA 6017.

Voting by proxy

To vote by proxy, please lodge the accompanying Proxy Form by using one of the following methods:

- **Online:** Login to the Automic website using the holding details as shown as the Proxy Form. Click on 'Meetings'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
- **By mail:** Automic, GPO Box 5193, Sydney NSW 2001.
- **In person:** Automic, Level 5, 126 Phillip Street, Sydney NSW 2000.
- **By email:** meetings@automicgroup.com.au.
- **By facsimile:** +61 2 8583 3040.

Please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and

- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the Meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Notice of General Meeting

Agenda

The Resolutions are not interdependent on each other. However, if any of the Resolutions are not approved by Shareholders, the Company will be required to repay the amounts owed in cash in lieu of the securities proposed to be issued if those Resolutions were approved (as applicable).

This would place the Company in a precarious financial position and it would need to reassess its financial commitments. In such circumstances, the Company would be required to seek alternative funding, which may be difficult for the Company to secure on acceptable terms or at all.

Consequently, the Board considers the transactions contemplated by these Resolutions provide significant commercial benefit to the Company.

The Board has formed the view that these transactions are in the best commercial interests of the Company and unanimously recommends (subject to the 'Recommendations of Directors' noted in the Explanatory Statement) that Shareholders vote in favour of the Resolutions.

The Resolutions contained in this Notice are important and affect the future of the Company. Shareholders are urged to give careful consideration to the Notice and the contents of the Explanatory Statement.

Resolution 1 – Issue of Raising Shares and Placement Options to sophisticated and professional investors participating in the Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to a total of 200,000,000 Raising Shares and 20,000,000 Placement Options (being 1 Placement Option for every 10 Raising Shares issued) to certain sophisticated and professional investors participating in the Placement at \$0.0075 per Share on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 – Issue of Raising Shares and Investor Loan Options to sophisticated and professional investors on conversion of Investor Loans

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of a total of 800,666,667 Raising Shares and 80,066,667 Investor Loan Options (being 1 Investor Loan Option for every 10 Raising Shares issued) to certain sophisticated and professional investors (excluding Mr Russell Baskerville) on the conversion of a total of \$6.005 million under the Investor Loans advanced to the Company at \$0.0075 per Share on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Issue of Raising Shares and Debt Conversion Options on the conversion of debts

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of a total of 640,000,000 Raising Shares and 64,000,000 Debt Conversion Options (being 1 Debt Conversion Option for every 10 Raising Shares issued) in relation to existing debts owed by the Company to be settled via the conversion of a total of \$4.8 million into Shares at \$0.0075 per Share on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Issue of Bridge Loan Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of a total of 30,000,000 Bridge Loan Options in the Company to Tiga Trading Pty Ltd ACN 118 961 210 (a company part of the Thorney Investment Group) (or its nominee(s)), in accordance with the Bridge Loan Agreement and otherwise on the on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Issue of Raising Shares and Investor Loan Options to a Related Party – Russell Baskerville

To consider and, if thought fit, to pass, with or without amendment, the following resolution as **ordinary resolution**:

"That, for the purpose of Listing Rule 10.11 and all other purposes, Shareholders approve the issue of a total of 26,666,667 Raising Shares and 2,666,667 Investor Loan Options (being 1 Investor Loan Option for every 10 Raising Shares issued) to Mr Russell Baskerville (or his nominee) on the conversion of a total of \$200,000 in Investor Loans advanced to the Company"

at an issue price of \$0.0075 per Share on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 – Issue of Director Shares and Director Options to a Related Party – Russell Baskerville

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a total of 11,666,667 Director Shares at an issue price of \$0.0075 and 1,166,667 attaching Director Options (being 1 Director Option for every 10 Director Shares issued) to Mr Russell Baskerville (or his nominee) in lieu of outstanding Director fees for the period up to 31 July 2023 on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7 – Issue of Director Shares and Director Options to a Related Party – Timothy Webster

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a total of 12,200,000 Director Shares at an issue price of \$0.0075 and 1,220,000 attaching Director Options (being 1 Director Option for every 10 Director Shares issued) to Mr Timothy Webster (or his nominee) in lieu of outstanding Director fees for the period up to 31 July 2023 on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8 – Issue of Director Shares and Director Options to a Related Party – Andrew Haslam

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a total of 9,933,333 Director Shares at an issue price of \$0.0075 and 993,333 attaching Director Options (being 1 Director Option for every 10 Director Shares issued) to Mr Andrew Haslam (or his nominee) in lieu of outstanding Director fees for the period up to 31 July 2023 on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 9 – Issue of Director Shares and Director Options to a Related Party – Nikhilesh Senapati

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a total of 10,133,333 Director Shares at an issue price of \$0.0075 and 1,013,333 attaching Director Options (being 1 Director Option for every 10 Director Shares issued) to Mr Nikhilesh Senapati (or his nominee) in lieu of outstanding Director fees for the period up to 30 June 2023 on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 10 – Issue of Armada Shares and Armada Options to Armada Accountants

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 26,666,667 Armada Shares and 2,666,667 Armada Options (being 1 Armada Option for every 10 Armada Shares issued) to Armada Accountants Pty Ltd (or its nominee(s)), for the part payment of fees outstanding for the period up to 30 June 2023 at \$0.0075 per Share on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 11 - Issue of SPP Options under the SPP

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to 40,000,000 SPP Options (being 1 SPP Option for every 10 SPP Shares issued) in connection with the SPP announced on 28 July 2023, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an Associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ELMORE LIMITED
ACN 057 140 922

Explanatory Statement

The Explanatory Statement has been prepared to provide Shareholders with an explanation of, and material information about, all of the agenda items to be considered at the General Meeting of the Company.

This Explanatory Statement forms part of the accompanying Notice of General Meeting and should be read in conjunction with the Notice of General Meeting.

The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the Resolutions.

1. Overview of the Transaction

1.1 Background

On 22 June 2023, the Company announced, among other things, that it had agreed terms for approximately \$45 million in new funding, including US\$22.0 million (approximately \$32.5 million) in a non-binding term sheet for a Pre-Payment and life of mine offtake, and \$12.505 million in binding commitments, subject to regulatory and Shareholder approvals.

In this Notice and Explanatory Statement, the transactions outlined in the Company's announcement dated 22 June 2023, in addition to the proposed issue of securities the subject of Resolution 10 (as noted in Section 1.1(e)), is referred to as the **Transaction**.

In summary, the Transaction comprises the following components:

- (a) A non-binding term sheet has been signed for a minimum US\$22.0 million (approximately \$32.5 million) Magnetite Pre-Payment and Offtake Arrangement (**Pre-Payment**) with its current offtake partner Royal Advance (HK) Pty Ltd (**Royal Advance**).
- (b) Up to a total of \$12.505 million is proposed to be raised from sophisticated and institutional investors comprising the following (together, the **Raising**):
 - (i) \$1.5 million to be raised through a placement of Shares at \$0.0075 per share (**Offer Price**) (**Placement**). Under the Placement, it is proposed that investors will each receive one Option for every 10 Raising Shares subscribed, each with an exercise price of \$0.015 and an expiry date within 18 months from the date of issue (**Placement Options**). The terms of the Placement Options are summarised in Schedule 2 of this Explanatory Statement.
 - (ii) \$6.205 million advanced by investors upfront as loans, which will convert Shares at the Offer Price upon the required Shareholder approvals being obtained (**Investor Loans**). Under the Investor Loans, it is proposed that investors will each receive one Option for every 10 Raising Shares subscribed, each with an exercise price of \$0.015 and an expiry date within 18 months from the date of issue (**Investor Loan Options**). The terms of the Investor Loan Options are summarised in Schedule 1 of this Explanatory Statement.
 - (iii) \$4.8 million to be settled via the conversion of existing debts owed by the Company into equity at the Offer Price (**Debt Conversion**). Under the Debt Conversion, it is proposed that debt holders will each receive one Option for every 10 Raising Shares subscribed, each with an exercise price of \$0.015 and an expiry date within 18 months from the date of

issue (**Debt Conversion Options**). The terms of the Debt Conversion Options are summarised in Schedule 2 of this Explanatory Statement.

- (c) Under the Bridge Loan Agreement, a bridging loan of \$1.5 million has been provided by Tiga Trading Pty Ltd ACN 118 961 210 (a company part of the Thorney Investment Group) (**Bridge Loan**). Under the Bridge Loan, it is proposed that Thorney Investment Group be issued 30,000,000 Options with an exercise price of \$0.0075 per Option and an expiry date of 18 months from the date of issue (**Bridge Loan Options**). The terms of the Bridge Loan Options are summarised in Schedule 3 of this Explanatory Statement.
- (d) The Company is proposing to issue Shares to each of its Directors (or their nominees) (other than Mr David Mendelawitz) in lieu of fees outstanding for the period up to 31 July 2023 (and, in the case of Nikhilesh Senapati, up to 30 June 2023 being the date of his resignation as a Director) (**Director Shares**), together with one attaching Option for every 10 Shares issued, each with an exercise price of \$0.015 and an expiry date within 18 months from the date of issue (**Director Options**) (**Director Issue**). Further information on the Director Issue is contained in Section 1.8 and the terms of the Director Options are summarised in Schedule 2 of this Explanatory Statement.
- (e) The Company is proposing to issue Shares to Armada Accountants (or its nominee(s)), for the part payment of fees outstanding for the period up to 30 June 2023 (**Armada Shares**), together with one attaching Option for every 10 Armada Shares issued, each with an exercise price of \$0.015 and an expiry date within 18 months from the date of issue (**Armada Options**) (**Armada Issue**). Further information on the Armada Issue is contained in Section 1.9 and the terms of the Armada Options are summarised in Schedule 2 of this Explanatory Statement.
- (f) As announced on 28 July 2023, the Company is also proposing to undertake a share purchase plan (**SPP**) pursuant to which the Company proposes to issue Shares to raise up to a maximum of \$3 million from Shareholders (**SPP Shares**). Shareholders participating in the SPP would receive one attaching Option for every 10 SPP Shares subscribed for under the SPP, each with an exercise price of \$0.015 and an expiry date within 18 months from the date of issue (**SPP Options**). The Company does not intend to seek Shareholder approval for the issue of the SPP Shares proposed to be issued under the SPP on the basis that the SPP falls within the exception to the requirement to seek Shareholder approval under Listing Rule 7.1 pursuant to Exception 5 of Listing Rule 7.2. However, the issue of the SPP Options will require Shareholder approval, which is being sought under Resolution 11. Further information on the SPP is contained in Section 1.10 and the terms of the SPP Options are summarised in Schedule 2 of this Explanatory Statement.

1.2 Pre-Payment

As announced by the Company on 22 June 2023, the Company signed a non-binding term sheet with Royal Advance which sets out key commercial terms for a Pre-Payment of at least US\$22.0 million (approximately \$32.5 million) against magnetite and a life of mine offtake agreement for the supply of magnetite iron ore from the tailings stockpile, which is estimated to be operational for 6.5 years.

Royal Advance is a trading division of a multibillion-dollar Chinese owned corporation that owns and operates a blast furnace and steel refinery in China. Royal Advance is the Company's current offtake partner and has now purchased two shipments of high-grade magnetite from the Company and is making down payments for a third shipment. They have used the magnetite product in their own steel refinery, successfully making steel and have also successfully traded the magnetite demonstrating the high quality and demand for the Company's magnetite product.

The Company has selected Royal Advance based on the strong relationship that has been developed between the companies, their flexibility, genuine intent to collaborate and a common vision for long-term profitable partnership, along with the terms negotiated being attractive relative to the other proposals received.

As at the date of this Explanatory Statement, the Company is continuing negotiations with Royal Advance to complete its due diligence and approval process and subsequently agree long form documentation. The Company will keep the market informed of any material updates in relation to the Pre-Payment.

1.3 Raising

As noted above, the Raising comprises the Placement, the Investor Loans and the Debt Conversion. Under the Raising:

- (a) up to a total of 1,667,333,333 Shares are proposed to be issued at \$0.0075 per share (**Raising Shares**). Investors under the Raising will also receive Placement Options, Investor Loan Options or Debt Conversion Options (as applicable);
- (b) the Company's Chair, Mr Russell Baskerville, has personally subscribed for \$200,000 in the Investor Loans;
- (c) as the Company has utilised its new issue capacity under Listing Rule 7.1, the issue of Raising Shares and Placement Options under the Placement, the issue of Shares and Investor Loan Options under the Investor Loans, and the issue of Raising Shares and Debt Conversion Options under the Debt Conversion, are subject to Shareholder approval under Resolutions 1, 2, 3 and 5 (as applicable); and
- (d) the Raising Shares, Placement Options, Investor Loan Options and Debt Conversion Options proposed to be issued will be offered under a Prospectus to facilitate the on-sale of the Raising Shares and any Shares issued on conversion of the Options.

An overview of each element of the Raising is outlined in the Sections 1.4, 1.5 and 1.6 as follows.

1.4 Placement

Under the Placement, the Company is proposing to raise \$1.5 million via a placement of Raising Shares and Placement Options. The issue of Shares and Placement Options under the Placement will be made to certain sophisticated and professional investors.

1.5 Investor Loans

As noted above, \$6.205 million of the Raising proceeds have been advanced under the Investor Loans by the subscribers who are sophisticated and professional investors. Each loan amount will be converted into Shares at the Offer Price if the Company obtains Shareholder approval under Resolution 2.

The key terms of the Investor Loans include the following:

- (a) interest free loans which are automatically convertible into Shares, on the same terms as the Placement, 2 Business Days after the Company has obtained Shareholder approval; and
- (b) the Investor Loans are unsecured and repayable in cash if by 31 August 2023, the Company has not obtained Shareholder approval for the Raising.

A summary of the key terms of the Investor Loans is set out in Schedule 4 of this Explanatory Statement.

1.6 Debt Conversion

The Company currently has \$4.8 million in existing debts owed to Polaris and Oz Professionals. These debts comprise the following:

- (a) \$2.5 million owed to Oz Professionals under the vendor finance agreement for the settlement of the Peko Project purchase and certain deeds of variation and restatement; and
- (b) \$2.3 million owed to Polaris under convertible notes, unsecured loans and trade payables.

Polaris and Oz Professionals have each agreed to accept Shares in lieu of repayment of each of their debts with the Company under the Debt Conversion.

The Company has negotiated with Oz Professionals to restructure the vendor finance repayment terms such that \$1.0 million will be paid from the Investor Loans and \$15 million is payable on the earlier of the closing of the Pre-Payment or 31 August 2023. With regard to the remaining balance due, Oz Professionals has agreed with the Company to accept Debt Conversion Shares as part of the Debt Conversion. This will leave approximately \$12.5 million in principal outstanding owed to Oz Professionals due in December 2023, plus interest and extension fees.

1.7 Bridge Loan

As noted above, \$1.5 million has been advanced to the Company via the Bridge Loan. The key terms of the Bridge Loan include:

- (a) An advance of \$1.5 million, repayable upon settlement of the Placement or by 31 August 2023.
- (b) It is interest free, with a fee payable including the issue of the Bridge Loan Options.
- (c) The issue of the Bridge Loan Options is subject to Shareholder approval (please see Resolution 4), which will need to be obtained prior to 31 August 2023. If such approvals are not obtained, the Company is not obliged to issue the Bridge Loan Options.

A summary of the key terms of the Bridge Loan is set out in Schedule 5 of this Explanatory Statement.

The Bridge Loan Options will be offered under the Prospectus to facilitate the on-sale of the Shares on their conversion.

1.8 Director Issue

The Company is proposing to issue Director Shares and Director Options to each of the Directors (other than Mr David Mendelawitz) in lieu of fees outstanding for the period up to 31 July 2023. The effect of the Director Issue will be that, instead of receiving their unpaid fees in cash, the Directors will receive the Director Shares and the Director Options, which are on the same terms as those securities issued to investors under the Raising.

The maximum number of Director Shares and Director Options proposed to be issued to the Directors are as follows:

Name of Director	Director Shares	Director Options	Directors' fees (excl GST) owed up to July 2023 ²
Russell Baskerville	11,666,667	1,166,667	\$87,500
David Mendelawitz	-	-	-

Timothy Webster	12,200,000	1,220,000	\$91,500
Andrew Haslam	9,933,333	993,333	\$74,500
Nikhilesh Senapati ¹	10,133,333	1,013,333	\$76,000

Notes:

1. Mr Senapati was a Director until his resignation effective from 30 June 2023.
2. Mr Senapati's fees are for the period up to 30 June 2023.

Under the Director Issue, the number of Director Shares and Director Options proposed to be issued to each of the Directors has been calculated by dividing the total amount of Directors' fees owed to that Director by the Offer Price and adding one Director Option for every 10 Director Shares. In that way, the Director Shares and Director Options would be issued under the Director Issue on the same terms as under the Placement.

The Company proposes to issue the number of Director Shares and Director Options that would represent the fees owed to each Director as at 31 July 2023 (other than Mr Nikhilesh Senapati). As Mr Nikhilesh Senapati resigned as a Director effective from 30 June 2023, Mr Senapati will be issued the number of Director Shares and Director Options in respect of fees owed to him as at 30 June 2023, being the date that his resignation was effective.

As noted above, the Director Shares and Director Options proposed to be issued under the Director Issue will be offered under the Prospectus to facilitate the on-sale of the Director Shares and the Shares issued upon conversion of the Director Options.

1.9 Armada Issue

Under an engagement letter dated 9 October 2015, the Company engaged Armada Accountants to act as Company Secretary of the Company. Armada Accountants provides the Company with company secretarial and accounting services. Under the engagement letter, the Company currently pays Armada Accountants a variable hourly rate for the services depending on the person engaged.

There are currently fees outstanding to Armada Accountants for the period up to 30 June 2023. For the part payment of the fees outstanding in an amount of \$200,000, the Company is proposing to issue Shares to Armada Accountants (or its nominee(s)), in addition to the Armada Options.

The effect of the issue of the Armada Shares and Armada Options to Armada Accountants will be that, instead of receiving its unpaid fees in cash, Armada Accountants will receive the Armada Shares and the Armada Options, which are on the same terms as those issued to investors under the Raising.

The Armada Shares and Armada Options proposed to be issued under the Armada Issue will be offered under the Prospectus to facilitate the on-sale of the Armada Shares and the Shares issued upon conversion of the Armada Options.

1.10 Share Purchase Plan

As announced on 28 July 2023, the Company is proposing to undertake the SPP to raise up to a maximum of \$3 million at the Offer Price. The SPP will allow retail investors to participate on the same terms as the proposed issuances of Shares under the Raising. Shareholders participating in the SPP would receive one SPP Option for every 10 SPP Shares subscribed for under the SPP. The SPP Shares and SPP Options issued under the SPP will be offered under the Prospectus.

2. Impact on Shareholders

The following table sets out the substantial holdings of:

- each of those persons who have lodged substantial holding notices (on behalf of itself and its Associates) as at the date of this Explanatory Statement; and
- each of those persons (on behalf of itself and its Associates) who are expected to be substantial holders as at completion of the Transaction (other than the SPP).

The Prospectus to be issued in respect of the issue of Shares and Options under the Raising will contain further details regarding the potential effect of the SPP.

Shareholder	Current % interest	Post-Raising, Director Issue and Armada Issue ¹ % interest	Fully diluted ² % interest
Regal Funds Management	9.29%	12.64%	12.51%
Oz Professionals 4 Pty Ltd	-	10.62%	10.84%
TIGA Trading Pty Ltd	3.97%	10.27%	10.31%
Polaris Engineering Services Pty Ltd	2.32%	10.81%	10.93%

Notes:

1. Excludes any participation in the SPP.
2. Diluted for the exercise of all existing Options as at the date of this Explanatory Statement, plus Options issued under the Raising and the Director Issue.

3. Use of funds

The Company has received the funds under the Investor Loans and Bridge Loan, and has applied the proceeds as follows:

Item	\$million
Repayment of vendor finance (principal and interest)	3.5
Purchase of capital items and processing equipment	1.0
Polaris Engineering Services Pty Ltd debt conversion	2.3
Avior Capital Partners debt repayment ¹	1.0
Working capital, transaction costs and other trade creditors	4.705
Total	12.505

Notes:

1. Avior Capital Partners' borrowings are pursuant to a funding facility provided to re-finance the purchased ball mill with a debt facility. The key terms of this facility, which were disclosed on page 19 of the Company's 31 December 2022 Half Year Financial Report, are as follows:
 - (a) \$1,200,000 face value;
 - (b) 24-month term, with the final repayment being made on 1 February 2024;
 - (c) 15% interest;
 - (d) Note repaid over 24 equal payments;
 - (e) 10% initiation fee and exit fees;

- (f) Up to 20% of the exit fee can be taken as shares priced at \$0.025 share price (maximum of 2,000,000 Shares);
- (g) Secured by way of general security agreement and specific security agreement over ball mill; and
- (h) The Company extended the funding facility provided by Avior by a further \$1.5 million provided in 2 tranches over 1 month. This extended the final repayment date to 24 May 2024.

If Resolution 1 is approved by Shareholders, the Company intends to apply the proceeds of the Placement to the repayment of the Bridge Loan.

Any proceeds raised from the SPP will be applied to working capital and the payment of operating costs at the Peko Project.

Upon closing the Pre-Payment, which will raise a further US\$22.0 million (approximately \$32.5 million) before transaction costs, the Company proposes to repay a further \$15 million to Oz Professionals. The Company will have further financial flexibility to manage its working capital, make further investments into the Peko Project, and will owe Oz Professionals approximately a further \$12.5 million due on 31 December 2023 (plus any fees and interest that capitalises and is added to the balance).

4. Indicative timetable

An indicative timetable for the Transaction is as follows:

Event	Indicative date ¹
SPP Record Date	27 July 2023
Lodgement of Prospectus	15 August 2023
SPP Opening Date	15 August 2023
General Meeting of Shareholders	30 August 2023
Opening Date for Raising, Bridge Loan, Director Issue and Armada Issue	30 August 2023
Closing Date for Raising, Bridge Loan, Director Issue, and Armada Issue	31 August 2023
Completion of issue of Shares and Options under the Raising, Bridge Loan, Director Issue and Armada Issue	31 August 2023
SPP Closing Date	4 September 2023
Completion of issue of Shares and Options under the SPP	On or by 8 September 2023

Notes:

1. The above timetable is subject to review by ASX and these dates are indicative and subject to change.

5. Pro forma capital structure

The effect of the Raising, the Bridge Loan, the Director Issue, the Armada Issue and the SPP on the Company's capital structure is set out below.

Capital Structure	Number	Fully Diluted Shareholding %
Current		
Fully paid ordinary shares	1,399,383,826	41.4%
Unlisted options	42,833,333 ¹	1.3%
Raising		
Fully paid ordinary shares	1,667,333,333	49.3%
Unlisted options	196,733,333 ²	5.8%
Armada Issue		
Fully paid ordinary shares	26,666,667	0.8%
Unlisted options	2,666,667	0.1%
Director Issue		
Fully paid ordinary shares	43,933,333	1.3%
Unlisted options	4,393,333 ³	0.1%
Pro Forma (excl. SPP)		
Fully paid ordinary shares	3,137,317,159	92.7%
Unlisted options	246,626,666 ⁴	7.3%
Total (excl. SPP)	3,383,943,825	100.0%
SPP (fully subscribed)		
Fully paid ordinary shares	400,000,000	10.5%
Unlisted options	40,000,000 ⁵	1.0%
Pro Forma (incl. SPP)		
Fully paid ordinary shares	3,537,317,159	92.5%
Unlisted options	286,626,666	7.5%
Total (incl. SPP)	3,823,943,825	100.0%

Notes:

1. This comprises options currently on issue in the Company with exercise prices of \$0.02 to \$0.03 per option and expiring in March 2024 and January 2025 (as applicable).
2. This comprises the Placement Options, the Investor Loan Options and the Debt Conversion Options.
3. This comprises the Director Options.
4. This comprises the Armada Options.
5. This comprises the maximum number of SPP Options that may be issued on the basis that the SPP is fully subscribed.

For the avoidance of doubt, the following scenarios illustrate the expected impact on the Company's capital structure:

- If Shareholder approval is not obtained under Resolutions 1 to 10 and the Shares and Options the subject of those Resolutions are issued by the Company, the Company would have on issue a total of 1,399,383,826 Shares (i.e. the current

number of Shares on issue as at the date of this Explanatory Statement would remain unchanged).

- If Shareholder approval is obtained under Resolutions 1 to 10 and the Shares and Options the subject of those Resolutions are issued by the Company, the Company would have on issue a total of 3,137,317,159 Shares and 246,626,666 Options (excluding Shares and Options issued under the SPP).
- If Shareholder approval is obtained under Resolutions 1 to 10, the Shares and Options the subject of those Resolutions are issued by the Company, and all Options are exercised, the Company would have on issue a total of 3,383,943,825 Shares (excluding Shares and Options issued under the SPP).

6. Resolutions 1, 2 and 3 – Issue of Raising Shares, Placement Options, Investor Loan Options and Debt Conversion Options

6.1 Proposed Issue

The Company is proposing to issue the following Shares and Options which are the subject of Resolutions 1, 2 and 3 (as applicable):

- (a) 200,000,000 Raising Shares and 20,000,000 Placement Options under the Placement;
- (b) 800,666,667 Raising Shares and 80,066,667 Investor Loan Options under the Investor Loans (other than those proposed to be issued to Mr Russell Baskerville which are the subject of Resolution 5); and
- (c) 640,000,000 Raising Shares and 64,000,000 Debt Conversion Options under the Debt Conversion.

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period, subject to specific exemptions.

The proposed issue of Raising Shares, the Placement Options, the Investor Loan Options and Debt Conversion Options will not fall within any of the exceptions set out in Listing Rule 7.2 and the Company does not have any available capacity under Listing Rule 7.1. The Company therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolutions 1, 2 and 3 seek the required Shareholder approval for the proposed issue of the Raising Shares, the Placement Options, the Investor Loan Options and Debt Conversion Options under and for the purposes of Listing Rule 7.1.

Key consequences for the Company if any of Resolutions 1, 2 and 3 are passed:

Since the Company has already raised and applied the funds under the Investor Loans and Bridge Loan, the Company will convert the Investor Loans to Shares and Options and repay the Bridge Loan using the Placement proceeds.

Upon closing of the Pre-Payment, the Company will have the flexibility to invest in the Peko Project, via the installation and commissioning of the soluble metals circuit, the purchase of other processing equipment and spares, working capital and other debt reduction and will be well positioned to manage its vendor finance obligations to Oz Professionals and pursue the ongoing ramp up of production at the Peko Project.

Key consequences for the Company if any of Resolutions 1, 2 and 3 are not passed:

Given the current financial circumstances of the Company, if Resolutions 1, 2 and 3 are not passed, the Company may face serious financial consequences, which Shareholders should bear in mind when considering the Resolutions including:

- If Resolution 1 is not passed, the Company will be required to repay the Bridge Loan, being a total of \$1,500,000, by 31 August 2023. As at the date of this Explanatory Statement, the Company does not have sufficient cash to make this repayment. The Company notes that it will only have 1 Business Day between the Meeting scheduled on 30 August 2023 and the repayment date of 31 August 2023, to source a total of \$1,500,000 to repay the Bridge Loan as noted above. Repayment may be difficult and would place the Company in a precarious financial position, unless the Pre-payment closes as set out below, or the deadline for repayment can be renegotiated.
- If Resolution 2 is not passed, the Company will be required to repay the aggregate amounts of the Investor Loans (other than the Investor Loan provided by Mr Russell Baskerville (see section 8 below)), being a total of \$6,005,000, by 31 August 2023. As at the date of this Explanatory Statement, the Company does not have sufficient cash to make this repayment. The Company notes that it will only have 1 Business Day between the Meeting scheduled on 30 August 2023 and the repayment date of 31 August 2023, to source a total of \$6,005,000 to repay the aggregate amounts of the Investor Loans (other than the Investor Loan provided by Mr Russell Baskerville (see section 8 below)). Repayment may be difficult and would place the Company in a precarious financial position, unless the Pre-payment closes as set out below or the deadline for repayment can be renegotiated.
- If Resolution 3 is not passed, the existing \$4.8 million in debt the subject of the Debt Conversion will remain unpaid. This would place the Company in a precarious financial position, as it does not currently have the funds to make payment, and (unless the Pre-payment closes as set out below) it would need to renegotiate the payment dates and seek alternative funding, which may be difficult to secure on acceptable terms or at all. With regard to Oz Professionals, the amount owing would be added to the balance due on 31 December 2023, and it would continue to accrue interest as per the terms of the vendor finance agreement previously announced by Elmore (Refer to the Company's ASX announcement dated 5 December 2022). With regard to Polaris, the amounts would be due immediately, unless the deadline for payment can be renegotiated. As Polaris is also providing engineering services to Elmore, there is also a risk of those services being withdrawn if Resolution 3 is not passed and Elmore cannot otherwise pay amounts due to Polaris.
- If the Pre-Payment closes by 31 August 2023, the Company would be able to use this funding to repay the Investor Loans and Bridge Loan and/or the amounts subject to the Debt Conversion. However, when taken together with the obligation to also repay Oz Professionals \$15 million by 31 August 2023 and the other purposes the Company has earmarked for this funding (such as the soluble metals circuit), the Company would not be sufficiently funded to achieve all of its goals at the Peko Project. The Company would likely need to raise additional funds and potentially also revise its ramp up plans and would likely need to defer the soluble metals circuit and potentially other investments at the Peko Project. The Company may also find it challenging to make the final repayment to Oz Professionals due on 31 December 2023, without raising additional funding before that time. If any of Resolutions 1, 2 or 3 do not pass, this will be the case, and the level of financial pressure and extent of the need to defer mine expenditure and source additional funding after closing will depend on which Resolution(s) are or are not passed. The level of financial pressure and need to defer expenditure on the Peko Project will be greater if, for example, no Resolution passes, than if one of them does not pass, because in that instance, a higher amount will be required to be used from the proceeds of the Pre-Payment to repay these debts.

- However, if the Pre-Payment has not closed by 31 August 2023 and any of Resolutions 1, 2 or 3 have not passed, an alternative source of funding would need to be sought or the Company would be unable to repay the amounts of the Investor Loans, the Bridge Loan and the Debt Conversion (either together or individually). Together with the vendor finance amounts due and other costs to be funded at the Peko Project, the Company would likely face financial difficulty and be in a precarious financial position. Should this occur, unless the Company can raise replacement funding (either by 31 August 2023 or within whatever extended timeframe the Company could negotiate), there is a significant risk the Company could become insolvent.

Consequently, the Board considers that the transactions contemplated by Resolutions 1, 2 and 3 provide significant commercial benefit to the Company as the funds obtained under the Raising would be used towards progressing the Company's operations as described in Section 3.

Resolutions 1, 2 and 3 are important and affect the future of the Company. Shareholders are urged to give careful consideration to the Notice and the contents of the Explanatory Statement.

Resolution 1 - Technical information required by Listing Rule 7.1 in respect of the Placement is as follows:

The name of the person	The Company will issue 200,000,000 Raising Shares and 20,000,000 Placement Options to certain sophisticated and professional investors under sections 708(8) and 708(11) of the Corporations Act. The recipients were identified through a bookbuild process which involves seeking expressions of interest to participate in the Placement from non-related parties of the Company.
The number and class of the securities the Company will issue	200,000,000 Raising Shares and 20,000,000 Placement Options.
Summary of the material terms of the securities	<p>The Raising Shares will be fully paid ordinary shares in the Company.</p> <p>A summary of the material terms of the Placement Options proposed to be issued under the Raising is set out in Schedule 2 of this Explanatory Statement.</p>
The date or dates on or by which the entity will issue the securities, which must not be more than 3 months after the date of the meeting	31 August 2023 or otherwise no later than 3 months after the date of the Meeting in accordance with ASX Listing Rule 7.3.4.
The price or other consideration the entity will receive for the issue	<p>\$0.0075 for the Raising Shares</p> <p>Issue: Nil for the Placement Options</p> <p>Exercise Price: \$0.015</p>
The purpose of the issue, including the intended use of any funds raised by the issue	The intended use of funds is as described in Section 3 above.
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 1 in the Notice.

Resolution 2 - Technical information required by Listing Rule 7.1 in respect of the Investor Loans is as follows:

The name of the person	<p>The Company will issue 800,666,667 Raising Shares and 80,066,667 Investor Loan Options to investors (other than Director, Mr Russell Baskerville) who advanced funds upfront as loans, which will convert into Shares.</p> <p>Some of the participants under the Investor Loans are clients of Euroz Hartleys Private Wealth and Shaws Private Wealth and large existing Shareholders, Thorney Investment Group and Regal Funds Management.</p>
The number and class of the securities the Company will issue	800,666,667 Raising Shares and 80,066,667 Investor Loan Options
Summary of the material terms of the securities	<p>The Raising Shares will be fully paid ordinary shares in the Company.</p> <p>A summary of the material terms of the Investor Loan Options proposed to be issued under the Raising is set out in Schedule 1 of this Explanatory Statement.</p>
The date or dates on or by which the entity will issue the securities, which must not be more than 3 months after the date of the meeting	31 August 2023 or otherwise no later than 3 months after the date of the Meeting in accordance with ASX Listing Rule 7.3.4.
The price or other consideration the entity will receive for the issue	<p>\$0.0075 for the Raising Shares</p> <p>Issue: Nil for the Investor Loan Options</p> <p>Exercise Price: \$0.015</p>
The purpose of the issue, including the intended use of any funds raised by the issue	The intended use of funds is as described in Section 3 above.
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 2 in the Notice.

Resolution 3 - Technical information required by Listing Rule 7.1 in respect of the Debt Conversion is as follows:

The name of the person	The Company will issue 640,000,000 Raising Shares and 64,000,000 Debt Conversion Options to Polaris and Oz Professionals for the Company's existing debts to be settled via the conversion of debts into Shares.
The number and class of the securities the Company will issue	640,000,000 Raising Shares and 64,000,000 Debt Conversion Options.
Summary of the material terms of the securities	The Raising Shares will be fully paid ordinary shares in the Company.

	A summary of the material terms of the Debt Conversion Options proposed to be issued under the Raising is set out in Schedule 2 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 3 months after the date of the meeting	31 August 2023 or otherwise no later than 3 months after the date of the Meeting in accordance with ASX Listing Rule 7.3.4.
The price or other consideration the entity will receive for the issue	<p>\$0.0075 for the Raising Shares</p> <p>Issue: Nil for the Debt Conversion Options</p> <p>Exercise Price: \$0.015</p>
The purpose of the issue, including the intended use of any funds raised by the issue	The intended use of funds is as described in Section 3 above.
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 3 in the Notice.

6.2 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolutions 1, 2 and 3.

6.3 Recommendation of Directors

The Board has formed the view that these transactions are in the best commercial interests of the Company and unanimously recommends that Shareholders vote in favour of Resolutions 1, 2 and 3.

7. Resolution 4 – Issue of Bridge Loan Options

7.1 Proposed Issue

The Bridge Loan has been provided by Tiga Trading Pty Ltd ACN 118 961 210 (a company part of the Thorney Investment Group) (**Tiga**). Under the Bridge Loan, Tiga is proposed to be issued the Bridge Loan Options subject to Shareholder approval being obtained.

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period, subject to specific exemptions.

The proposed issue of Bridge Loan Options does not fall within any of the exceptions set out in Listing Rule 7.2 and the Company does not have any available capacity under Listing Rule 7.1. The Company therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 4 seeks the required Shareholder approval for the proposed issue of the Bridge Loan Options under and for the purposes of Listing Rule 7.1.

Key consequences for the Company if Resolution 4 is passed:

If Resolution 4 is passed, Tiga (or its nominee(s)) will be issued the Bridge Loan Options.

Key consequences for the Company if Resolution 4 is not passed:

If Resolution 4 is not passed, the Company is required to pay Tiga a fee of \$50,000 in lieu of the Bridge Loan Options. This would affect the Company's financial position and the Company would be required to seek alternative funding, which may be difficult for the Company to secure on acceptable terms or at all. Individually this amount is less significant than the amounts subject to Resolutions 1, 2 and 3 however the amounts that are the subject of Resolutions 4 – 9 together are significant and form a key part of Elmore's plan to preserve its limited cash to be able to meet operational costs and other debts owed by the Company.

Consequently, the Board considers that Resolution 4 provides significant commercial benefit to the Company as the funds obtained under the Bridge Loan would be used towards progressing the Company's operations as described in Section 3.

Technical information required by Listing Rule 7.1 is as follows:

The name of the person	The Company will issue the Bridge Loan Options to Tiga Trading Pty Ltd ACN 118 961 210 (a company part of the Thorney Investment Group) or its nominee(s).
The number and class of the securities the Company will issue	30,000,000 Bridge Loan Options
Summary of the material terms of the securities	A summary of the material terms of the Bridge Loan Options proposed to be issued under the Resolution is set out in Schedule 3 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 3 months after the date of the meeting	31 August 2023 or otherwise no later than 3 months after the date of the Meeting in accordance with ASX Listing Rule 7.3.4.
The price or other consideration the entity will receive for the issue	Issue: Nil Exercise Price: \$0.0075
The purpose of the issue, including the intended use of any funds raised by the issue.	The Bridge Loan Options are being issued as consideration under the Bridge Loan Agreement. Funds raised on exercise of the Bridge Loan Options will be used for general working capital purposes.
Summary of any other material terms of the agreement	A summary of the material terms of the Bridge Loan Options is set out in Schedule 3 of this Explanatory Statement. A summary of the Bridge Loan Agreement is set out in Schedule 5 of this Explanatory Statement.
Voting exclusion statement	Voting exclusion statements are included with Resolution 4 in the Notice.

7.2 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 4.

7.3 Recommendation of Directors

The Board recommends that Shareholders vote in favour of Resolution 4.

8. Resolution 5 – Issue of Raising Shares and Investor Loan Options to a Related Party – Russell Baskerville

8.1 Proposed Issue

Mr Russell Baskerville has subscribed for \$200,000 via Investor Loans at the Offer Price.

Under the Investor Loan with Mr Russell Baskerville, the Company is proposing to issue to Mr Baskerville (or his nominee) 26,666,667 Raising Shares and 2,666,667 Investor Loan Options (being 1 Option for every 10 Raising Shares issued), on the same terms as the conversion of the Investor Loans subscribed for by unrelated parties.

8.2 Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- (a) a Related Party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

As Mr Russell Baskerville is Director and is therefore a Related Party of the Company, the issue of the Raising Shares and Investor Loan Options falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 5 seeks the required Shareholder approval to the issue of the Raising Shares and Investor Loan Options under and for the purposes of Listing Rule 10.11.

Further information is provided under Section 6 which explains the precarious financial situation that the Company would be placed under if approval under this Resolution is not obtained.

Key consequences for the Company if Resolution 5 is passed:

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Raising Shares and Investor Loan Options.

If approval is given for the grant of the Raising Shares and Investor Loan Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Key consequences for the Company if Resolution 5 is not passed:

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of Raising Shares and Investor Loan Options and will be required to repay the total amount of \$200,000 to Mr Russell Baskerville by 31 August 2023. This would affect the Company's financial position and the Company would be required to seek alternative funding, which may

be difficult for the Company to secure on acceptable terms or at all, as provided in section 6 above.

Technical information required by Listing Rule 10.13 is as follows:

The name of the person	Mr Russell Baskerville
Which category in Listing Rules 10.11.1 - 10.11.5 the person falls within and why	Listing Rule 10.11.1, Mr Russell Baskerville is a Director of the Company.
The number and class of securities to be issued to the person	26,666,667 Raising Shares and 2,666,667 Investor Loan Options.
If the securities are not fully paid ordinary securities, a Summary of the material terms of the securities	A summary of the material terms of the Investor Loan Options proposed to be issued under the Raising is set out in Schedule 1 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting	31 August 2023 or otherwise no later than 1 month after the date of the Meeting in accordance with ASX Listing Rule 10.13.5.
The price or other consideration the entity will receive for the issue	<p>\$0.0075 for the Raising Shares</p> <p>Issue: Nil for the Investor Loan Options. The Investor Loan Options are valued at \$5,783, by using a Black Scholes Model. A summary of the assumptions used to value the Investor Loan Options is provided at Schedule 6 of this Explanatory Statement.</p> <p>Exercise Price: \$0.015</p>
If the person is: (A) a director and therefore a Related Party under rule 10.11.1; or (B) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package	Annual remuneration of \$153,191 including share-based payments of \$153,191. Mr Russell Baskerville's base fee is \$150,000 per annum including superannuation.
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 5 in the Notice.

8.3 Related Party transactions generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Russell Baskerville is a Related Party of the Company as he is a Director. This Resolution relates to a proposed issue of Raising Shares and Investor Loan Options to Mr Russell Baskerville, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board to be given on arm's length. Having considered the Company's circumstances and Mr Russell Baskerville's position with the Company, the Board considers that the financial benefit conferred by the issue of Raising Shares and Investor Loan Options is at arm's length given that Mr Russell Baskerville is subscribing for Shares and Options at the same price and under the same terms and conditions as unrelated parties under the Raising and therefore the exception in section 210 of the Corporations Act applies.

8.4 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 5.

8.5 Recommendation of Directors

The Board (other than Mr Russell Baskerville) recommends that Shareholders vote in favour of Resolution 5.

9. Resolution 6 – Issue of Director Shares and Director Options to a Related Party – Russell Baskerville

9.1 Proposed issue

As referred to in Section 1.8, the Company is seeking Shareholder approval for the issue of up to 11,666,667 Director Shares and 1,166,667 attaching Director Options to Mr Russell Baskerville (or his nominee) in lieu of Director fees for the period up to 31 July 2023.

9.2 Information requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- (a) a Related Party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or

- (e) a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

As Mr Russell Baskerville is a Director and is therefore a Related Party of the Company, the issue of the Director Shares and Director Options falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 6 seeks the required Shareholder approval to the issue of the Director Shares and Director Options under and for the purposes of Listing Rule 10.11.

Key consequences for the Company if Resolution 6 is passed:

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Director Shares and Director Options.

If approval is given for the grant of the Director Shares and Director Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Key consequences for the Company if Resolution 6 is not passed:

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of Director Shares and Director Options, and will be required to pay the total amount owed in Director fees to Mr Russell Baskerville in cash which will put further financial pressure on the Company given its current precarious financial circumstances.

Technical information required by Listing Rule 10.13 is as follows:

The name of the person	Mr Russell Baskerville or his nominee
Which category in Listing Rules 10.11.1 - 10.11.5 the person falls within and why	Listing Rule 10.11.1, Mr Russell Baskerville is a Director of the Company.
The number and class of securities to be issued to the person	11,666,667 Director Shares and 1,166,667 Director Options
If the securities are not fully paid ordinary securities, a Summary of the material terms of the securities	A summary of the material terms of the Director Options proposed to be issued under the resolution is set out in Schedule 2 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting	31 August 2023 or otherwise no later than 1 month after the date of the Meeting in accordance with ASX Listing Rule 10.13.5.
The price or other consideration the entity will receive for the issue	<p>Nil for the Director Shares, which is in lieu of Director fees</p> <p>Issue: Nil for the Director Options. The Director Options are valued at \$2,530, by using a Black Scholes Model. A summary of the assumptions used to value the Director Options is provided at Schedule 6 of this Explanatory Statement.</p> <p>Exercise Price: \$0.015</p>
If the person is: (A) a director and therefore a Related Party under rule 10.11.1; or (B) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the	Annual remuneration of \$153,191 including share-based payments of \$153,191. Mr Russell Baskerville's base fee is \$150,000 per annum excluding superannuation.

issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package	
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 6 in the Notice.

9.3 Related Party transactions generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Russell Baskerville is a Related Party of the Company as he is a Director. This Resolution relates to a proposed issue of Director Shares and Director Options in lieu of fees to Mr Russell Baskerville, which forms part of the remuneration package of Mr Russell Baskerville, and is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Under the Company's current circumstances, the Directors consider (in the absence of Mr Russell Baskerville) that the intended issue of Director Shares and Director Options in lieu of cash fees:

- (a) are a cost effective and efficient means for the Company to pay amounts that are owed to Mr Russell Baskerville, which would otherwise require the Company to pay using its cash, and given that the cash amount owed is being translated into Director Shares and Director Options at the Offer Price and on the same terms as Raising Shares and Options, the outcome is analogous to the Raising having been bigger and Mr Russell Baskerville having been paid in cash;
- (b) are an effective way of providing Director remuneration, and a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of cash compensation, especially given the need for the Company to preserve cash; and
- (c) encourage the Company's Directors to have a greater involvement in the achievement of the Company's objectives and provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership.

9.4 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 6.

9.5 Recommendation of Directors

The Board (other than Mr Russell Baskerville) recommends that Shareholders vote in favour of Resolution 6.

10. Resolution 7 – Issue of Director Shares and Director Options to a Related Party – Timothy Webster

10.1 Proposed Issue

As referred to in Section 1.8, the Company is seeking Shareholder approval for the issue of up to 12,200,000 Director Shares and 1,220,000 attaching Director Options to Mr Timothy Webster (or his nominee) in lieu of Director fees for the period up to 31 July 2023.

10.2 Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- (a) a Related Party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

As Mr Timothy Webster is a Director and is therefore a Related Party of the Company, the issue of the Director Shares and Director Options falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 7 seeks the required Shareholder approval to the issue of the Director Shares and Director Options under and for the purposes of Listing Rule 10.11.

Key consequences for the Company if Resolution 8 is passed:

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Director Shares and Director Options.

If approval is given for the grant of the Director Shares and Director Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Key consequences for the Company if Resolution 8 is not passed:

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of Director Shares and Director Options, and will be required to pay the total amount owed in Director fees to Mr Timothy Webster in cash. This would affect the Company's financial position and the Company would be required to seek alternative funding, which may be difficult for the Company to secure on acceptable terms or at all.

Technical information required by Listing Rule 10.13 is as follows:

The name of the person	Mr Timothy Webster or his nominee
Which category in Listing Rules 10.11.1 - 10.11.5 the person falls within and why	Listing Rule 10.11.1, Mr Timothy Webster is a Director of the Company.
The number and class of securities to be issued to the person	12,200,000 Director Shares and 1,220,000 Director Options
If the securities are not fully paid ordinary securities, a Summary of the material terms of the securities	A summary of the material terms of the Director Options proposed to be issued under the resolution is set out in Schedule 2 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting	31 August 2023 or otherwise no later than 1 month after the date of the Meeting in accordance with ASX Listing Rule 10.13.5.
The price or other consideration the entity will receive for the issue	<p>Nil for the Director Shares, which is in lieu of Director fees</p> <p>Issue: Nil for the Director Options. The Director Options are valued at \$2,646, by using a Black Scholes Model, a summary of the assumptions is provided at Schedule 6 of this Explanatory Statement.</p> <p>Exercise Price: \$0.015</p>
If the person is: (A) a director and therefore a Related Party under rule 10.11.1; or (B) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package	Annual remuneration of \$51,337 including share-based payments of \$51,337. Mr Timothy Webster's base fee is \$48,000 per annum excluding superannuation.
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 7 in the Notice.

10.3 Related Party transactions generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Timothy Webster is a Related Party of the Company as he is a Director. This Resolution relates to a proposed issue of Director Shares and Director Options in lieu of fees to Mr Timothy Webster, which forms part of the remuneration package of Mr Timothy Webster, and is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Under the Company's current circumstances, the Directors consider (in the absence of Mr Timothy Webster) that the intended issue of Director Shares and Director Options in lieu of cash fees:

- (a) are a cost effective and efficient means for the Company to pay amounts that are owed to Mr Timothy Webster, which would otherwise require the Company to pay using its cash, and given that the cash amount owed is being translated into Director Shares and Director Options at the Offer Price and on the same terms as Raising Shares and Options, the outcome is analogous to the Raising having been bigger and Mr Timothy Webster having been paid in cash;
- (b) are an effective way of providing for Director remuneration and a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of cash compensation, especially given the need for the Company to preserve cash; and
- (c) encourage the Company's Directors to have a greater involvement in the achievement of the Company's objectives and provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership.

10.4 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 7.

10.5 Recommendation of Directors

The Board (other than Mr Timothy Webster) recommends that Shareholders vote in favour of Resolution 7.

11. Resolution 8 – Issue of Director Shares and Director Options to a Related Party – Andrew Haslam

11.1 Proposed Issue

As referred to in Section 1.8, the Company is seeking Shareholder approval for the issue of up to 9,933,333 Director Shares and 993,333 attaching Director Options to Mr Andrew Haslam (or his nominee) in lieu of Director fees for the period up to 31 July 2023.

11.2 Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- (a) a Related Party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

As Mr Andrew Haslam is a Director and is therefore a Related Party of the Company, the issue of the Director Shares and Director Options falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 8 seeks the required Shareholder approval to the issue of the Director Shares and Director Options under and for the purposes of Listing Rule 10.11.

Key consequences for the Company if Resolution 8 is passed:

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Director Shares and Director Options.

If approval is given for the grant of the Director Shares and Director Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Key consequences for the Company if Resolution 8 is not passed:

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of Director Shares and Director Options, and will be required to pay the total amount owed in Director fees to Mr Andrew Haslam in cash. This would affect the Company's financial position and the Company would be required to seek alternative funding, which may be difficult for the Company to secure on acceptable terms or at all.

Technical information required by Listing Rule 10.13 is as follows:

The name of the person	Mr Andrew Haslam or his nominee
Which category in Listing Rules 10.11.1 - 10.11.5 the person falls within and why	Listing Rule 10.11.1, Mr Andrew Haslam is a Director of the Company.
The number and class of securities to be issued to the person	9,933,333 Director Shares and 993,333 Director Options
If the securities are not fully paid ordinary securities, a Summary of the material terms of the securities	A summary of the material terms of the Director Options proposed to be issued under the resolution is set out in Schedule 2 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting	31 August 2023 or otherwise no later than 1 month after the date of the Meeting in accordance with ASX Listing Rule 10.13.5.
The price or other consideration the entity will receive for the issue	<p>Nil for the Director Shares, which is in lieu of Director fees</p> <p>Issue: Nil for the Director Options. The Director Options are valued at \$2,154, by using a Black Scholes Model, a summary of the assumptions is provided at Schedule 6 of this Explanatory Statement.</p> <p>Exercise Price: \$0.015</p>
If the person is: (A) a director and therefore a Related Party under rule 10.11.1; or (B) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package	Annual remuneration of \$50,717 including share-based payments of \$50,717. Mr Andrew Haslam base fee is \$48,000 per annum excluding superannuation.

Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 8 in the Notice.

11.3 Related Party transactions generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Andrew Haslam is a Related Party of the Company as he is a Director. This Resolution relates to a proposed issue of Director Shares and Director Options in lieu of fees to Mr Andrew Haslam, which forms part of the remuneration package of Mr Andrew Haslam, and is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Under the Company's current circumstances, the Directors consider (in the absence of Mr Andrew Haslam) that the intended issue of Director Shares and Director Options in lieu of cash fees:

- (a) are a cost effective and efficient means for the Company to pay amounts that are owed to Mr Andrew Haslam, which would otherwise require the Company to pay using its cash, and given that the cash amount owed is being translated into Director Shares and Director Options at the Offer Price and on the same terms as Raising Shares and Options, the outcome is analogous to the Raising have been bigger and Mr Andrew Haslam having been paid in cash;
- (b) are an effective way of providing for Director remuneration, and a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of cash compensation, especially given the need for the Company to preserve cash; and
- (c) encourage the Company's Directors to have a greater involvement in the achievement of the Company's objectives and provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership.

11.4 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 8.

11.5 Recommendation of Directors

The Board (other than Mr Andrew Haslam) recommends that Shareholders vote in favour of Resolution 8.

12. Resolution 9 – Issue of Director Shares and Director Options to a Related Party – Nikhilesh Senapati

12.1 Proposed issue

As referred to in Section 1.8, the Company is seeking Shareholder approval for the issue of up to 10,133,333 Director Shares and 1,013,333 attaching Director Options to Mr Nikhilesh Senapati (or his nominee) in lieu of Director fees for the period up to 30 June 2023.

12.2 Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- (a) a Related Party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

As Mr Nikhilesh Senapati was a Director of the Company within the previous 6 months and is therefore a Related Party of the Company, the issue of the Director Shares and Director Options falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 9 seeks the required Shareholder approval to the issue of the Director Shares and Director Options under and for the purposes of Listing Rule 10.11.

Key consequences for the Company if Resolution 9 is passed:

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Director Shares and Director Options.

If approval is given for the grant of the Director Shares and Director Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Key consequences for the Company if Resolution 9 is not passed:

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of Director Shares and Director Options, and will be required to pay the total amount owed in Director fees to Mr Nikhilesh Senapati in cash. This would affect the Company's financial position and the Company would be required to seek alternative funding, which may be difficult for the Company to secure on acceptable terms or at all.

Technical information required by Listing Rule 10.13 is as follows:

The name of the person	Mr Nikhilesh Senapati or his nominee
Which category in Listing Rules 10.11.1 - 10.11.5 the person falls within and why	Listing Rule 10.11.1, Mr Nikhilesh Senapati was a Director of the Company within the previous 6 months.
The number and class of securities to be issued to the person	10,133,333 Director Shares and 1,013,333 Director Options

If the securities are not fully paid ordinary securities, a Summary of the material terms of the securities	A summary of the material terms of the Director Options proposed to be issued under the resolution is set out in Schedule 2 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting	31 August 2023 or otherwise no later than 1 month after the date of the Meeting in accordance with ASX Listing Rule 10.13.5.
The price or other consideration the entity will receive for the issue	<p>Nil for the Director Shares, which is in lieu of Director fees</p> <p>Issue: Nil for the Director Options. The Director Options are valued at \$2,197, by using a Black Scholes Model, a summary of the assumptions is provided at Schedule 6 of this Explanatory Statement.</p> <p>Exercise Price: \$0.015</p>
If the person is: (A) a director and therefore a Related Party under rule 10.11.1; or (B) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package	Annual remuneration of \$50,772 including share-based payments of \$50,772. Mr Nikhilesh Senapati's base fee is \$48,000 per annum excluding superannuation.
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 9 in the Notice.

12.3 Related Party transactions generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Nikhilesh Senapati is a Related Party of the Company as he was a Director within the previous 6 months. This Resolution relates to a proposed issue of Director Shares and Director Options in lieu of fees to Mr Nikhilesh Senapati, which forms part of the remuneration package of Mr Nikhilesh Senapati, and is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Under the Company's current circumstances, the Directors consider (in the absence of Mr Nikhilesh Senapati) that the intended issue of Director Shares and Director Options in lieu of cash fees:

- (a) are a cost effective and efficient means for the Company to pay amounts that are owed to Mr Nikhilesh Senapati, which would otherwise require the Company to pay using its cash, and given that the cash amount owed is being translated into Director Shares and Director Options at the Offer Price and on the same terms as

Raising Shares and Options, the outcome is analogous to the Raising have been bigger and Mr Nikhilesh Senapati having been paid in cash;

- (b) are an effective way of providing for Director remuneration and a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of cash compensation, especially given the need for the Company to preserve cash; and
- (c) encourage the Company's Directors to have a greater involvement in the achievement of the Company's objectives and provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership.

12.4 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 9.

12.5 Recommendation of Directors

The Board (other than Mr Nikhilesh Senapati) recommends that Shareholders vote in favour of Resolution 9.

13. Resolution 10 - Issue of Armada Shares and Armada Options to Armada Accountants

13.1 Proposed Issue

As referred to in Section 1.9, the Company is seeking Shareholder approval for the issue of up to 26,666,667 Armada Shares and 2,666,667 attaching Armada Options to Armada Accountants (or its nominee(s)) in lieu of fees, for the part payment of fees outstanding for the period up to 30 June 2023.

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period, subject to specific exemptions.

The proposed issue of Armada Shares and Armada Options does not fall within any of the exceptions set out in Listing Rule 7.2 and the Company does not have any available capacity under Listing Rule 7.1. The Company therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 10 seeks the required Shareholder approval for the proposed issue of the Armada Shares and Armada Options under and for the purposes of Listing Rule 7.1.

Key consequences for the Company if Resolution 10 is passed:

If Resolution 10 is passed, Armada Accountants (or its nominee(s)) will be issued 26,666,667 Armada Shares and 2,666,667 Armada Options.

Key consequences for the Company if Resolution 10 is not passed:

If Resolution 10 is not passed, the Company will be required to pay Armada Accountants a fee of \$200,000 in lieu of the Armada Shares and the Armada Options. This would affect the Company's financial position and the Company would be required to seek alternative funding, which may be difficult for the Company to secure on acceptable terms or at all.

Technical information required by Listing Rule 7.1 is as follows:

The name of the person	The Company will issue the Armada Shares and the Armada Options to Armada Accountants Pty Ltd ABN 79 009 298 542 or its nominee(s).
The number and class of the securities the Company will issue	26,666,667 Armada Shares 2,666,667 Armada Options
Summary of the material terms of the securities	The Armada Shares will be fully paid ordinary shares in the Company. A summary of the material terms of the Armada Options proposed to be issued under is set out in Schedule 2 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 3 months after the date of the meeting	31 August 2023 or otherwise no later than 3 months after the date of the Meeting in accordance with ASX Listing Rule 7.3.4.
The price or other consideration the entity will receive for the issue	\$0.0075 for the Armada Shares Issue: Nil for the Armada Options Exercise Price: \$0.015 for the Armada Options
The purpose of the issue, including the intended use of any funds raised by the issue.	The intended use of funds is as described in Section 3 above. Funds raised on exercise of the Armada Options will be used for general working capital purposes.
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 10 in the Notice.

13.2 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 10.

13.3 Recommendation of Directors

The Board recommends that Shareholders vote in favour of Resolution 10.

14. Resolution 11 - Issue of SPP Options under the SPP

14.1 Proposed Issue

As referred to in Section 1.10, the Company is seeking Shareholder approval for the issue of up to 40,000,000 SPP Options in connection with the SPP.

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period, subject to specific exemptions.

The proposed issue of SPP Options does not fall within any of the exceptions set out in Listing Rule 7.2 and the Company does not have any available capacity under Listing Rule 7.1. The Company therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 11 seeks the required Shareholder approval for the proposed issue of the SPP Options under and for the purposes of Listing Rule 7.1.

Key consequences for the Company if Resolution 11 is passed:

If Resolution 11 is passed, the Company will be able to proceed with the issue and will issue the SPP Options to participants in the SPP. In addition, the issue of the SPP Options will be excluded from the calculation of the number of fully paid equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Key consequences if Resolution 11 is not passed:

If Resolution 11 is not passed, the Company will not proceed with the issue of the SPP Options. The Company will then issue the SPP Options to participants of the SPP at a time where the Company has sufficient placement capacity to do so. The SPP Shares will nonetheless be issued.

Resolution 11 - Technical information required by Listing Rule 7.1 in respect of the SPP Options is as follows:

The name of the person	The Company will issue up to 40,000,000 SPP Options to participants in the SPP, as announced on 28 July 2023.
The number and class of the securities the Company will issue	Up to 40,000,000 SPP Options
Summary of the material terms of the securities	A summary of the material terms of the SPP Options proposed to be issued under the SPP is set out in Schedule 2 of this Explanatory Statement.
The date or dates on or by which the entity will issue the securities, which must not be more than 3 months after the date of the meeting	8 September 2023 or otherwise no later than 3 months after the date of the Meeting in accordance with ASX Listing Rule 7.3.4.
The price or other consideration the entity will receive for the issue	Issue: Nil for the SPP Options Exercise Price: \$0.015
The purpose of the issue, including the intended use of any funds raised by the issue	The purpose of the SPP is to allow retail investors to participate on the same terms as the proposed issuances of Shares under the Raising. Funds raised on exercise of the SPP Options will be used for working capital and the payment of operating costs at the Peko Project.
Summary of any other material terms of the agreement	N/A
Voting exclusion statement	Voting exclusion statements are included with Resolution 11 in the Notice.

14.2 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 11.

14.3 Recommendation of Directors

The Board recommends that Shareholders vote in favour of Resolution 11.

15. Glossary

In this Notice of General Meeting and Explanatory Statement:

\$ means Australian dollars.

Armada Accountants means Armada Accountants Pty Ltd ABN 79 009 298 542.

Armada Options has the meaning given in Section 1.1(e).

Armada Shares has the meaning given in Section 1.1(e).

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given in the Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Bridge Loan has the meaning given in Section 1.1(c).

Bridge Loan Agreement means the bridge loan agreement between the Company and Tiga Trading Pty Ltd (a company part of the Thorney Investment Group) dated 20 June 2023 (the terms of which are summarised in Schedule 5 of this Explanatory Statement).

Bridge Loan Options has the meaning given in Section 1.1(c).

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Elmore Limited (ACN 057 140 922).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Debt Conversion has the meaning given in Section 1.1(b)(iii)

Debt Conversion Options has the meaning given in Section 1.1(b)(iii).

Director Issue means Shares issued to Directors in lieu of fees as described in Section 1.8.

Directors means the current directors of the Company.

Director Shares has the meaning given in Section 1.1(d).

Director Options has the meaning given in Section 1.1(d).

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by this Notice.

Investor Loan Options has the meaning given in Section 1.1(b)(ii).

Investor Loans has the meaning given in Section 1.1(b)(ii).

Listing Rules means the official listing rules of ASX.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Offer Price means \$0.0075.

Option means an option to acquire a Share.

Oz Professionals means Oz Professionals 4 Pty Ltd ACN 104 976 703 as trustee for the Chambour Family Trust ABN 95 880 174 785.

Peko Project means the Peko Iron Ore project.

Placement means has the meaning given in Section 1.1(b)(i).

Placement Options has the meaning given in Section 1.1(b)(i).

Polaris means Polaris Engineering Services Pty Ltd.

Pre-Payment has the meaning given in Section 1.1(a).

Prospectus means a prospectus proposed to be issued by the Company under section 713 of the Corporations Act, pursuant to which offers will be made in relation to all of the securities proposed to be issued under the Transaction.

Proxy Form means the proxy form accompanying this Notice.

Raising has the meaning given in Section 1.1(b).

Raising Share means a total of 1,667,333,333 Shares issued at the Offer Price.

Related Party has the meaning given to it in the Corporations Act.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Royal Advance means Royal Advance (HK) Pty Ltd.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

SPP has the meaning given in Section 1.1(f).

SPP Options has the meaning given in Section 1.1(f).

SPP Shares has the meaning given in Section 1.1(f).

WST means Western Standard Time as observed in Perth, Western Australia.

Schedule 1 – Terms and Conditions of the Investor Loan Options

The Investor Loan Options have the following terms and conditions:

- (a) Subject to paragraph (c) below, the Investor Loan Options shall be exercisable by the relevant lender (**Lender**) at any time after the date on which the Investor Loan Options are issued, provided the Investor Loan Options may only be exercised in part if the number of Investor Loan Options being exercised is at least the minimum amount provided under the relevant Investor Loan agreement, which varies depending on the Lender.
- (b) Each Investor Loan Option entitles the Lender to subscribe for one fully paid ordinary share in the capital of the Company ranking equally with all other ordinary shares currently on issue of the Company (**Shares**) at \$0.015 (as adjusted under these terms and conditions) (**Exercise Price**).
- (c) The Investor Loan Options will automatically lapse and will no longer be exercisable after the date that is 18 months after the date of issue.
- (d) The Investor Loan Options may be transferred:
 - (i) to an Associate (as defined in section 12 of the Corporations Act 2001 (Cth)) of the Lender; or
 - (ii) otherwise with the prior written consent of the Company, not to be unreasonably withheld,

provided any such transferee agrees to be bound by these terms and conditions and the provisions of the Investor Loan agreement between the Company and the Lender to the extent applicable to the Investor Loan Options or a holder of Investor Loan Options.

- (e) There are no participating rights or entitlements inherent in the Investor Loan Options and holders of the Investor Loan Options will not be entitled to participate in new issues of capital that may be offered to the Company's shareholders during the currency of the Investor Loan Options (except upon exercise of the Investor Loan Options). The Company must notify the optionholders of an issue to shareholders at least 5 business days before the record date to determine entitlements to the issue to holders of Shares (**Shareholder**).
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Investor Loan Options will be re-organised as required by the Listing Rules. Notwithstanding any other provision of the Investor Loan agreement, the rights of the holder of Investor Loan Options will be changed to the extent necessary to comply with the Listing Rules including, without limitation, as they apply to any reorganisation of capital undertaken by the Company at the time of the reorganisation.
- (g) If there is a bonus issue to the holders of Shares, the number of Shares over which an Investor Loan Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Investor Loan Option had been exercised before the record date for the bonus issue.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Investor Loan Options, the Exercise Price will be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- (i) The Investor Loan Options will not be quoted on ASX.
- (j) Shares allotted pursuant to an exercise of Investor Loan Options shall rank, from the date of allotment, equally with the existing Shares in all respects and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of Investor Loan Options listed for official quotation by ASX.

- (l) The Investor Loan Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Investor Loan Options held by them accompanied by a certificate issued by the Company certifying that the person named in it is the registered holder of the Investor Loan Options or the number of Investor Loan Options detailed on the face of the certificate, and payment to the Company of the Exercise Price. An exercise of only some Investor Loan Options shall not affect the rights of the optionholder to the balance of the Investor Loan Options held by them in accordance with these terms and conditions.

Schedule 2 – Terms of Placement Options, Debt Conversion Options, Director Options, Armada Options and SPP Options

The Placement Options, the Debt Conversion Options, the Director Options, the Armada Options and the SPP Options have the following terms and conditions (for the purposes of this Schedule 2, each are referred to as the **Options**):

- (a) Subject to paragraph (c) below, the Options shall be exercisable by the option holder (**Optionholder**) at any time after the date on which the Options are issued.
- (b) Each Option entitles the Optionholder to subscribe for one fully paid ordinary share in the capital of the Company ranking equally with all other ordinary shares currently on issue of the Company (**Shares**) at \$0.015 (as adjusted under these terms and conditions) (**Exercise Price**).
- (c) The Options will automatically lapse and will no longer be exercisable after the date that is 18 months after the date of issue.
- (d) The Options may be transferred:
 - (i) to an Associate (as defined in section 12 of the Corporations Act 2001 (Cth)) of the Optionholder; or
 - (ii) otherwise with the prior written consent of the Company, not to be unreasonably withheld,provided any such transferee agrees to be bound by these terms and conditions.
- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to the Company's shareholders during the currency of the Option (except upon exercise of the Options). The Company must notify the Optionholder of an issue to shareholders at least 5 business days before the record date to determine entitlements to the issue to holders of Shares (**Shareholder**).
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules. The rights of the holder of Options will be changed to the extent necessary to comply with the Listing Rules including, without limitation, as they apply to any reorganisation of capital undertaken by the Company at the time of the reorganisation.
- (g) If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- (i) The Options will not be quoted on ASX.
- (j) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares in all respects and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (l) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by a certificate issued by the Company certifying that the person named in it is the registered holder of the Options or the number of Options detailed on

the face of the certificate, and payment to the Company of the Exercise Price. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by them in accordance with these terms and conditions.

Schedule 3 – Terms of Bridge Loan Options

The Bridge Loan Options have the following terms and conditions:

- (a) Subject to paragraph (c) below, the Bridge Loan Options shall be exercisable by Tiga Trading Pty Ltd (a company part of the Thorney Investment Group) (Lender) at any time after the date on which the Bridge Loan Options are issued, provided the Bridge Loan Options may only be exercised in part if the number of Bridge Loan Options being exercised is at least 500,000 Bridge Loan Options.
- (b) Each Bridge Option entitles the Lender to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) at \$0.0075 (**Exercise Price**).
- (c) The Bridge Loan Options will automatically lapse and will no longer be exercisable after the date that is 18 months after the date of issue.
- (d) The Bridge Loan Options may be transferred:
 - (i) to an Associate (as defined in the Corporations Act 2001 (Cth)) of the Lender; or
 - (ii) otherwise with the prior written consent of the Company, not to be unreasonably withheld,provided any such transferee agrees to be bound by these terms and conditions and the provisions of the Bridge Loan agreement to the extent applicable to the Bridge Loan Options or a holder of Bridge Loan Options.
- (e) There are no participating rights or entitlements inherent in the Bridge Loan Options and holders of the Bridge Loan Options will not be entitled to participate in new issues of capital that may be offered to the Company's shareholders during the currency of the Bridge Loan Option (except upon exercise of the Bridge Loan Options). The Company must notify the optionholders of an issue to shareholders at least 5 business days before the record date to determine entitlements to the issue to the holders of Shares (**Shareholder**).
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Bridge Loan Options will be re-organised as required by the Listing Rules. Notwithstanding any other provision of the Bridge Loan agreement, the rights of the holder of Bridge Loan Options will be changed to the extent necessary to comply with the Listing Rules including, without limitation, as they apply to any reorganisation of capital undertaken by the Company at the time of the reorganisation.
- (g) If there is a bonus issue to the holders of Shares, the number of Shares over which a Bridge Loan Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Bridge Loan Option had been exercised before the record date for the bonus issue.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Bridge Loan Options, the Exercise Price will be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- (i) The Bridge Loan Options will not be quoted on ASX.
- (j) Shares allotted pursuant to an exercise of Bridge Loan Options shall rank, from the date of allotment, equally with the existing Shares in all respects and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of Bridge Loan Options listed for official quotation by ASX.
- (l) The Bridge Loan Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Bridge Loan Options held by them accompanied by a certificate issued by

the Company certifying that the person named in it is the registered holder of the Bridge Loan Options or the number of Bridge Loan Options detailed on the face of the certificate, and payment to the Company of the Exercise Price. An exercise of only some Bridge Loan Options shall not affect the rights of the optionholder to the balance of the Bridge Loan Options held by them in accordance with these terms and conditions.

Schedule 4 – Summary of key terms of Investor Loans

Key Term	Description
Borrower	Elmore Limited ACN 057 140 922
Lenders	Various institutional and sophisticated (high net worth) investors.
Advance (Loan Amount)	\$6,205,000 in aggregate from all Lenders.
Security	The Investor Loans are unsecured.
Fees	No fees associated with the Investor Loans.
Availability Period	From date of the Investor Loan agreements to Termination Date.
Termination Date	31 August 2023
Interest	No interest is associated with the Investor Loans.
Repayment of Principal	<p>Amounts due and payable under the Investor Loans are to be repaid in cash on the Termination Date, unless the Borrower obtains all the requisite conversion and options approvals (including shareholder approval) (Conversion and Options Approvals) on or before the Termination Date, in which case the Advances will be converted into fully paid ordinary shares in the Borrower in accordance with the following formula (Conversion Shares):</p> $x = \frac{P}{CP}$ <p>where,</p> <p>x is the number of shares in the Borrower to be issued;</p> <p>P is the aggregate proceeds of the Advance to be converted; and</p> <p>CP is the conversion price of \$0.0075.</p>
Options	If all of the Conversion and Options Approvals are obtained on or before the Termination Date, the relevant Lender will receive 1 option for every 10 Conversion Shares. Each option entitles that Lender to subscribe for 1 fully paid ordinary share in the Borrower at an exercise price of \$0.015, subject to the terms and conditions set out in the Investor Loan.
Use of Funds	<p>The aggregate proceeds of all investor loans will be applied as follows:</p> <ul style="list-style-type: none"> \$1,000,000 towards the loan between Oz Professionals 4 Pty Ltd ACN 104 976 703 as trustee for the Chambour Family Trust ABN 95 880 174 785 and Peko Iron Project Pty Ltd ACN 652 243 733); \$1,000,000 towards the purchase of certain capital items and processing equipment;

Key Term	Description
	<ul style="list-style-type: none"> • at least \$2,000,000 towards repayment of outstanding financial indebtedness; and • \$2,205,000 towards general working capital purposes and any transaction costs.
Representations and Warranties	<p>Standard representations and warranties typical of loans of this type:</p> <ul style="list-style-type: none"> • status; • binding obligations; • non-conflict with other obligations; • power and authority; • pari passu ranking; and • compliance with laws.
Undertakings	<p>Standard undertakings typical of loans of this type:</p> <ul style="list-style-type: none"> • status; • authorisations; • Disposals (no Borrower disposals other than under any offtake agreement, made in ordinary course of business, of assets in exchange for assets of comparable value, obsolete or redundant vehicles or equipment); • No merger; • No substantial change in business; • Financial Indebtedness (Borrower shall not incur Financial Indebtedness other than): <ul style="list-style-type: none"> ○ a prepayment facility up to an amount of US\$25,000,000; ○ a facility of up to \$10,000,000 with the NT Jobs Fund to be used to specific capital investments and plant expansions; ○ any trade or similar facilities provided on a non-recourse basis; ○ under equipment lease and hire purchase contracts where recourse is limited solely to the assets themselves; ○ Financial Indebtedness arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of

Key Term	Description
	<p>trade but not a foreign exchange transaction for investment or speculative purposes;</p> <ul style="list-style-type: none"> ○ any facility incurred solely for the purpose of refinancing the Advance; and ○ incurred with consent of the Lender.
Events of Default	<p>Usual Events of Default typical of this type of loan agreement:</p> <ul style="list-style-type: none"> • Non-payment • Misrepresentation • Insolvency (Borrower or any member of the Borrower's group) • Cross Default • Unlawfulness • Cessation of Business

Schedule 5 – Summary terms of Bridge Loan

Key Term	Description
Borrower	Elmore Limited ACN 057 140 922
Lender	Tiga Trading Pty Ltd ACN 118 961 210 (a company part of the Thorney Investment Group)
Advances/Loan Amounts	\$1,500,000.00
Security	The Bridge Loan is unsecured
Conditions Precedent	<p>The Lender, confirms in its sole discretion and in form and substance satisfactory to it that:</p> <ul style="list-style-type: none"> • The Borrower has received subscriptions in relation to an equity placement and advances under the Investor Loans in an aggregate amount of at least \$9,500,000 (Relevant Amount); and • at least \$8,000,000 of the Relevant Amount shall be drawn, funded or utilised by the Borrower on or before 30 June 2023.
Fees	<ul style="list-style-type: none"> • Cash fee of \$125,000; and • One of the following: <ul style="list-style-type: none"> ○ (Option Fee) If all requisite approvals which are necessary for the transactions contemplated under the Bridge Loan are obtained (including shareholder approval) (Requisite Approvals) before the Termination Date, the Lender will receive 30,000,000 options. Each option entitles the Lender to subscribe for 1 fully paid ordinary share in the Borrower at an exercise price of \$0.0075, subject to the terms and conditions set out in the Bridge Loan; or ○ (Fallback Fee) If any of the Requisite Approvals are not obtained before the Termination Date, the Borrower will receive a further \$50,000 in cash.
Availability Period	From date of the Investor Loan agreements to Termination Date
Termination Date	31 August 2023
Interest	No interest amounts shall apply to the Bridge Loan
Repayment of Principal	<p>On the earlier of:</p> <ul style="list-style-type: none"> • the day that is 2 business days after the date of the completion of the Equity Placement; and • the Termination Date. <p>Equity Placement means the issue of Shares and options to subscribe for Shares to certain investors in the amount of at least \$1,500,000 as completed by the transaction announced by the Borrower on or around the date of the Bridge Loan.</p> <p>Share means a fully paid ordinary share in the capital of the Borrower.</p>

Use of Funds	Towards repayment of outstanding financial indebtedness
Representations and Warranties	<p>Standard representations and warranties typical of loans of this type:</p> <ul style="list-style-type: none"> • status; • binding obligations; • non-conflict with other obligations; • power and authority; • pari passu ranking; • no insolvency; and • compliance with laws.
Undertakings	<p>Standard undertakings typical of loans of this type:</p> <ul style="list-style-type: none"> • status; • authorisations; • Disposals (no Borrower disposals other than under any offtake agreement, made in ordinary course of business, of assets in exchange for assets of comparable value, obsolete or redundant vehicles or equipment); • No merger; • No substantial change in business; • Financial Indebtedness (Borrower shall not incur Financial Indebtedness other than): <ul style="list-style-type: none"> ○ a prepayment facility up to an amount of US\$25,000,000; ○ a facility of up to \$10,000,000 with the NT Jobs Fund to be used to specific capital investments and plant expansions; ○ any trade or similar facilities provided on a non-recourse basis; ○ under equipment lease and hire purchase contracts where recourse is limited solely to the assets themselves; ○ Financial Indebtedness arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade but not a foreign exchange transaction for investment or speculative purposes; ○ any facility incurred solely for the purpose of refinancing the Advance; and ○ incurred with consent of the Lender.

Events of Default	<p>Usual Events of Default typical of this type of loan agreement:</p> <ul style="list-style-type: none"> • Non-payment • Misrepresentation • Insolvency (Borrower or any member of the Borrower's group) • Cross Default • Unlawfulness • Cessation of Business
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Schedule 6 – Valuation of Director Options and Investor Loan Options

The Director Options and Investor Loan Options to be issued to the Related Parties pursuant to Resolutions 5, 6, 7, 8 and 9 have been independently valued.

Using the Black Scholes Model and based on the assumptions set out below, the Director Options and Investor Loan Options were ascribed the following value:

Assumptions:	
Valuation date	25 July 2023
Market price of Shares	\$0.07 cents
Exercise price	1.5 cents
Expiry date (length of time from issue)	18 months
Risk free interest rate	4.281%
Volatility (discount)	105%
Indicative value per Director Option and Investor Loan Option	0.00217 cents
Total Value of Director Options	\$9,527
Total Value of Investor Loan Options	\$179,404

Note: The valuation noted above is not necessarily the market price that the Director Options and Investor Loan Options could be traded at and is not automatically the market price for taxation purposes.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10:00am (WST) on Monday, 28 August 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

