

## BOARD/MANAGEMENT

Mr Russell Baskerville  
NON-EXECUTIVE CHAIRMAN

Mr Andy Haslam  
MANAGING DIRECTOR

Mr Richard Bevan  
NON-EXECUTIVE DIRECTOR

Mr Tim Webster  
NON-EXECUTIVE DIRECTOR

Sean Henbury  
COMPANY SECRETARY

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## Market Update

Elmore Limited ("**Elmore**" or "the **Company**") is pleased to provide an update on the Company's recent activities.

### Highlights

- Elmore has successfully completed a multi-million dollar plant upgrade to its high-grade magnetite circuit at the Elmore owned Peko Iron Ore Project ("**Peko Project**") in Tennant Creek, Northern Territory.
- After a three-week maintenance shutdown period, the Peko Project magnetite circuit restarted in December 2023 and has successfully ramped up to produce magnetite at the daily rates detailed below. The Company continues to target the plant capacity production rate of 1,000 wet metric tonnes (wmt) per day, subject to the recent flooding on site being drained, and it being safe to start processing activities, as discussed below under the heading "Logistics and Shipment 4".

Week	#1	#2	#3	#4	#5
Average daily production (wmt)	367	519	252 <sup>1</sup>	647	793 <sup>2</sup>
Production days	7	4	4	6	4

- Magnetite grade has averaged between 64.4 – 65.2% Fe with further minor modifications expected to increase product grade to be consistently above 65.0% Fe.
- The A\$1.5m placement that was announced to the ASX on 22 June 2023 has completed. All resolutions put to Elmore shareholders at the Annual General Meeting were passed as announced to the ASX on 16 January 2024. This marks the successful completion of the Company's recapitalisation process other than the Share Purchase Plan ("**SPP**") to raise up to a maximum of A\$5.0 million which opened on Monday, 22 January, and is scheduled to close at 5.00pm (Perth time) on Friday, 9 February.



Newly fabricated Tank 500 delivered to the Peko Project in December 2023

### Notes

- Courier failure to delivery acid resulted in lower production in week #3.
- Week #5 is ongoing.

## Plant Operations, Product and Quality

- The multi-million dollar Peko Project upgrade included the installation of two new and larger magnetic separators, new pumps, tanks and piping, replacement ceramic discs and modification to a feed bin.
- This equipment upgrade has enabled more efficient processing of the stockpile and consistent feed into the plant. It has also provided a much-needed level of redundancy that will give Elmore the flexibility to undertake critical site repairs and maintenance as required in the future.



*Primary Magnetics Separators*

- The plant upgrades have already consistently improved the rate of magnetite output. Elmore continues to ramp-up the circuit and targets its plant capacity of 1,000wmt per day.
- As expected, the sulphur levels of the magnetite product have been high, so the Elmore board and management have approved the purchase of a small flotation plant (to be constructed in China). Elmore considers that the plant will lower the sulphur levels and further improve Fe grade of the magnetite product. Manufacturing of the flotation plant is targeted for completion in mid-March 2024, where Elmore will then ship directly to site.

## Logistics and Shipment 4

- In the past week, the effects of the Northern Territory wet season have impacted site production activities and rail logistics. Since 7 January 2024, the Peko Project has received more than 220mm of rain, which has resulted in Elmore being required to periodically suspend site operations.
- The intense rainfall has also caused significant damage to the railway between Tennant Creek and Katherine that has resulted in Elmore's rail provider, Aurizon, suspending rail services. On 19 January 2024, Aurizon advised Elmore that a section of

the track will require repairs and all northern rail services will be suspended for approximately two weeks. Further updates will be provided to the market once an assessment of the flooding damage has been carried out and the necessary repairs are completed.

- Elmore is endeavouring to recommence production once the flooding on site is drained and it is safe to start processing activities and stockpiling of ore on site. This is dependent on whether the site is further impacted by any significant rain in the short term.
- Elmore currently has approximately 8,300wmt of product at the Darwin port, 1,000wmt at the rail siding and 6,000wmt at the site.
- Elmore had booked a shipping laycan for 8 February 2024. As a result of the damage to the rail, Elmore has had to cancel this booking and delay the scheduled shipment. Cash receipts from the scheduled shipment will now be delayed which will have a significant impact on Elmore's working capital over the coming weeks, reducing Elmore's ability to fund site activities in the short term. Elmore's most significant cost is rail services, which will not be incurred until services recommence. Elmore continues to be focused on minimising costs and has entered into (and is continuing to enter into) arrangements with its suppliers to optimise working capital availability. If rail services recommence within the next two weeks, Elmore will target securing a ship for the final week of February 2024. This event places greater reliance on the successful completion of the SPP, and raising the maximum A\$5.0 million. In the event that rail services do not recommence within the next two weeks and the SPP does not raise the maximum A\$5.0 million, Elmore will be placed in a precarious financial position, and would be required to explore alternative sources of funding to address this issue.

## Corporate

As announced to the ASX on 6 November 2023, Andy Haslam was appointed to the role of Managing Director and Chief Executive Officer, and Richard Bevan was appointed as a Non-Executive Director of Elmore.

Mr Haslam, Mr Bevan, and the Company are committed to ensuring that Elmore has sufficient, appropriately skilled and experienced management. Elmore's board and management are currently considering applications for a permanent Chief Financial Officer and other technical roles on site. The Company will keep the market informed of any material updates in relation to the executive appointments.

Following completion of the recapitalisation process (other than the SPP), Elmore considers it is well positioned to optimise the Peko Project magnetite operations and expand into the extraction of copper and cobalt from the stockpile.



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

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**ABOUT ELMORE**

Elmore owns and operates the Northern Territory-based Peko Mine. Elmore acquired the Peko Mine after 12 months of work to design, build and commission the project's mining and processing operations as a contractor. Whilst Peko will initially focus on producing an iron magnetite product, the Elmore team plan to utilise wholly owned plant and equipment to produce copper, cobalt and gold from a tailings deposit at the Peko operations. The tenements also offer significant fresh-rock mining and exploration opportunities.