



ASX : ELE

## QUARTERLY ACTIVITIES REPORT

30 June 2019

Elmore Limited (the "Company" or "Elmore") (ASX: ELE) is pleased to provide its quarterly activities report for the period ended 30 June 2019.

### CHANGE OF BUSINESS FOCUS

On 31 May 2019 the Company announced that it had entered into an agreement to divest itself of the Indian subsidiary and has been working through the conditions precedent to finalise the agreement.

The Company also provided an update to the market on 20 March 2019 in which the Company announced that it had entered into a Memorandum of Understanding (MOU) with Golden Valley Iron (GVI), who has the rights to mine the Kimberley Metals Ridges Iron Project in Western Australia. The intention is for Elmore to process ore mined by GVI at the Ridges project on a contract basis. In the announcement of 31 May 2019, the Company announced that it had signed binding agreements with Gold Valley Iron to purchase the Frances Creek crushing and screening plant and also to process iron ore at the Ridges Iron Project. The initial \$1,500,000 of the \$2,500,000 was paid following the Tranche 1 capital raising. The key terms of the plant purchase agreement and processing agreement are included in the announcement of 31 May 2019.

On July 1<sup>st</sup>, 2019 the Company announced that it has signed an MOU with Trendsheer Holdings for materials processing on Frances Creek Iron Ore Mine, Northern Territory. The Company intends to use the Company's recently purchased process plant that is currently established on Frances Creek site.

The mine plan is currently being developed for crushing and screening of direct ship iron ore, and potentially beneficiation of lower grade iron ore resources.

Both Trendsheer and Elmore believe that there is high potential to process gold ore from projects located nearby, which is further enforced by the recent agreement between Trendsheer and Ark Mines (ASX: ARK) announced by ARK on 30 July 2019.

Elmore plans to commence processing at Ridges Iron Ore project with mobile equipment, instead of with the fixed plant which remains on track to be relocated once the longer-term beneficiation project is permitted.

The Company will provide more information on both projects once certainty is provided through the continued Due Diligence and finalisation of the mine planning period. This will



need to be completed prior to the Company requesting the re-instatement of the trading of its shares.

## CORPORATE

### VOLUNTARY SUSPENSION

As a consequence of the items noted above, on 12 December 2018 the Company requested a voluntary suspension on the trading of its securities.

The Company has requested an extension of the voluntary suspension, the most recent being 17 June 2019.

At the time of lodging this report the Company remains in suspension.

### FUND RAISING

The Company has signed an equity raising mandate jointly led by Shaw and Partners and Aitken Murray Capital Partners to raise \$6.0million through issuing 150,000,000 ordinary shares at \$0.04 per share.

The raise will be completed in 2 stages:

- Tranche 1. \$2.125m for 53,125,000 shares under existing approval. This has been completed through allocation to existing significant shareholders.
- Tranche 2. \$3.875m for 96,875,000 shares. This has been partially completed, and was subject to shareholder approval, which was sought and approved at an Extraordinary General Meeting (EGM) that was held on 5 July 2019.

The Company and First Samuel jointly agreed to terminate the previously approved First Samuel convertible debt facility.

Shaw and Partners and Aitken and Murray will receive a combined total of 4% of agreed funds that are raised under the mandate.

### EXTRAORDINARY GENERAL MEETING

On 5 July 2019 the Company held an EGM. all resolutions put to the General Meeting of the shareholders today were passed on a show of hands. The resolutions passed were:



Resolution 1	Change of Company Name
Resolution 2	Ratification of Prior Share Issue of Tranche 1 Placement Shares
Resolution 3	Approval to Issue Tranche 2 Placement Shares
Resolution 4	Issue of Replacement Related Party Performance Rights to Mr David Mendelawitz
Resolution 5	Change in Nature and Scale of Activities

### **CHANGE OF COMPANY NAME**

The Company advised that it had changed its name to 'Elmore Limited' following approval at the extraordinary meeting of shareholders on 5 July 2019 and the change being recorded on the Australian Securities and Investments Commission's records effective 9 July 2019.

The effective date for the change to the company's name and ticker code to ELE on the ASX platform was 15 July 2019.

**-ENDS-**

#### **For more information:**

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Elmore Ltd  
Managing Director  
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Sean Henbury  
Elmore Ltd  
Company Secretary  
(08) 6168 8000

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

Elmore Ltd

**ABN**

32 057 140 922

**Quarter ended ("current quarter")**

30 June 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	119
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(153)	(2,492)
	(c) production	-	-
	(d) staff costs *	(173)	(1,326)
	(e) administration and corporate costs	(94)	(2,887)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	29
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(420)</b>	<b>(6,557)</b>

\* includes 1 month notice and accrued annual and long service leave entitlements paid on the resignation of MD/CEO Cedric Goode on 31 August 2018 as per service agreement.

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,513)	(5,625)
	(b) tenements (see item 10)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(150)	(150)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(1,663)</b>	<b>(5,775)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	2,125	3,017
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(9)	(9)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>2,116</b>	<b>3,008</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	359	9,751
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(420)	(6,557)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,663)	(5,775)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,116	3,008
4.5	Effect of movement in exchange rates on cash held	-	35
4.6	<b>Cash and cash equivalents at end of period</b>	<b>392</b>	<b>392</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	392	359
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>392</b>	<b>359</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter  
\$A'000

82

-

Wages and superannuation.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development (inc PPE)	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	-
9.6 Other	-
9.7 Total estimated cash outflows	-
<p>As discussed in the Company Quarterly Activities Report, the Company has been working with equipment suppliers to terminate purchase orders and sell newly purchased capital items.</p> <p>Further, the Company is now in discussions and due diligence on a number of projects, both in India and Australia.</p> <p>As a consequence of this, the Company is unable to provide an estimate of its cash outflows for the next quarter at this time.</p> <p>The Company will include a forecast in a market announcement when plans are finalised.</p>	

## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Sean Henbury  
(Company secretary)

Date: 31 July 2019

Print name: Sean Henbury

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.