



**ASX: ELE**

**QUARTERLY ACTIVITIES REPORT**

**30 September 2019**

Elmore Limited (the "Company" or "Elmore") (ASX: ELE) is pleased to provide its quarterly activities report for the period ended 30 September 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 expects all significant conditions to be finalised in the December 2019 quarter.

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 Iron Project on a contractual 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 and include a number of conditions precedent that must be met before the final payment of \$1,000,000 + GST becomes payable to GVI. These conditions precedent were to have been met to Elmore's satisfaction prior to 28 October 2019. GVI has not been able to demonstrate to Elmore that they have been able to satisfy all of the conditions precedent, and as such, the Company has not made the final conditional payment.

Elmore has been planning to commence processing at Ridges Iron Project with mobile equipment, instead of with the fixed plant, which remains available to be relocated to Ridges, once the longer-term beneficiation project is permitted. The Company has secured all of the mobile processing equipment required to undertake the contract at Ridges and is ready to mobilise to site, though have been repeatedly held back from commencing the contract by GVI for a range of reasons, mainly unknown to Elmore.

The Company continues to try and work with GVI to resolve the impasse so that the mineral processing agreement can commence. However, given the conduct of GVI to date, we believe that this contract commencement is now considered materially uncertain.

# ELMORE



*Mobile processing equipment sourced for Ridges*

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

A detailed mine plan is currently being developed for crushing and screening of direct ship iron ore, and potentially future beneficiation of lower grade iron ore resources. Elmore is working with Trendsheer to define the best processing technique for beneficiating the remaining ore.

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

The Company is currently negotiating contracts with Trendsheer and expect these to be completed shortly. Once these have been finalised, they will be announced to the market.



The Company will provide more information on both projects once more certainty is achieved. 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 planned Tranche 2 equity raising of \$3.875m via issuing 96,875,000 shares has been partially completed, with \$1,125,000 having been raised to date. This was raised from existing significant shareholders, who have been kept abreast of the fluid situation with India, GVI and Trendsheer. The Company did not want to go to a broader market until further certainty had been achieved on these issues, due to their materiality. As the Company now feels that it will have the required clarity in the very near future, it is currently in discussions with interested parties determining the best way in which to structure the remaining equity raise.

### EXTRAORDINARY GENERAL MEETING

On 5 July 2019 the Company held an EGM. All resolutions put to the General Meeting of the shareholders on that day 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.

#### **SUPREME COURT – COSTS APPLICATION JUDGMENT**

On 30 October 2018 the Company announced the outcome of the Company's costs application which was heard for judgment before his Honour Justice Allanson in the Supreme Court of Western Australia on Friday 26<sup>th</sup> October 2018 at 2:15pm WST.

Justice Allanson ordered that Coal Hub and, pursuant to undertakings each of Subiaco Capital Pty Ltd and its two directors pay the Company's costs of the action, as well as the Company's costs of the costs hearing on 28 September 2018 and 26 October 2018.

In addition, the court awarded special costs in relation to certain items claimed above the limit of the court's costs scale.

The Company is proceeding to recover its costs of the action against the abovementioned parties. As the quantum of costs cannot be agreed by the parties, the Company will now seek a court assessment of its costs against the entities referred to above.

The Company will provide further updates in relation to the quantum of the awarded costs in due course.

#### **RESIGNATION OF JOINT COMPANY SECRETARY**

The Board had accepted the resignation of Mr Tim Lee as Co-company secretary of Elmore Ltd.

**-ENDS-**

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

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Managing Director  
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[info@elmoreltd.com.au](mailto:info@elmoreltd.com.au)

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 September 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(207)	(207)
	(c) production	-	-
	(d) staff costs *	(179)	(179)
	(e) administration and corporate costs	(180)	(180)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	(1)	(1)
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>(563)</b>	<b>(563)</b>

\* includes accrued annual leave entitlements paid post the termination of COO Sean Freeman as per service agreement.

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(258)	(258)
	(b) tenements (see item 10)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	-	-
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>(148)</b>	<b>(148)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,125	1,125
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	-	-
3.5	Proceeds from borrowings	67	67
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>1,192</b>	<b>1,192</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<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	50	50
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(563)	(563)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(258)	(258)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,192	1,192
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>421</b>	<b>421</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	421	50
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>421</b>	<b>50</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	81
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	
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	Add notes as necessary for an understanding of the position		
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)	180
9.3	Production	-
9.4	Staff costs	161
9.5	Administration and corporate costs	66
9.6	Other – Legals	50
9.7	Total estimated cash outflows	457



## 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: 7 November 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.