

Elsmore Resources Limited

Suite 141, 243 Pyrmont Street, PYRMONT NSW 2009

Phone 612 9518 8777 Fax 612 9518 9999

31 July 2014

The Manager, Company Announcements
Australian Securities Exchange Limited
Exchange Centre, 20 Bridge Street
Sydney NSW 2000

**ELSMORE RESOURCES LTD (ASX:ELR) ACN 145 701 033 ("THE COMPANY")
NOTICE OF SHARE ISSUE
REQUEST FOR CONTINUATION OF TRADING SUSPENSION**

The Company has been made aware that, between 21 January 2014 and 20 February 2014, at the purported direction of Mr Howard (the former Chairperson of the Company), the Company's share registry has issued some 19,385,230 additional fully paid shares in the Company. The Company has not received any payment from any of the holders of those shares. The issue of these shares exceeds the amount that the Company is entitled to issue without obtaining shareholder approval.


The Company is presently in discussions with the holders of those shares, in order to determine whether any payment for the shares was made, either at all, or to any third party.

Subject to the responses received from the holders of the shares and further investigations, the Company is also considering its position in relation to the potential liability of any third party(ies) in relation to the issue of the shares and/or payment for the same.

The Company makes reference to its Request for Trading Suspension made on 20 February 2014 and request for continuation made on 2 April 2014 and to its announcement dated 21 July 2014 ("the Update on Legal Proceedings"). On 28 July 2014, the proceedings against Mr Fung were listed for directions. The proceedings have been listed for further directions on 10 November 2014. The Company estimates that judgment in these proceedings is not likely to be obtained until early 2015. In light of the foregoing, the Company requests that the voluntary suspension granted by the ASX on 20 February 2014 be extended until 28 February 2015.

The Company is not aware of any reason why its securities should not be suspended until 28 February 2015.

Yours faithfully
Elsmore Resources Ltd



Yours faithfully,
ELSMORE RESOURCES LTD
John Gaffney
Chairman/Company Secretary