

Elsmore Resources Ltd

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FOR IMMEDIATE RELEASE

9 November 2015

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

ELSMORE RESOURCES LTD ACN 145 701 033 ("THE COMPANY")

ASX WAIVER GRANTED

As detailed in the Financial Report of Elsmore Resources Ltd (the "Company") for the Year Ended 30 June 2015, the Company and its subsidiary, Auramatrix Pty Ltd, have entered into a Deed of Loan with Mr Joseph Chung. Under the Deed of Loan, Mr Chung has agreed to advance up to A\$2,500,000.00 (including amounts advanced by Mr Chung previously) to the Company to provide the Company with working capital and to assist efforts to return the Company to trading as soon as possible. As consideration for these loans by Mr Chung, the Company proposed to grant Mr Chung a security interest comprising a floating charge over the Company and its assets.

The Company is pleased to announce that the ASX has granted the Company a waiver from ASX Listing Rule 10.1. This waiver permits the Company to grant the proposed floating charge to Mr Chung over the Company's assets without the need to seek shareholder approval under ASX Listing Rule 10.1, subject to certain conditions.

The terms of the ASX waiver are set out below.

1. *"Based solely on the information provided, ASX Limited ("ASX") grants Elsmore Resources Limited (the "Company") a waiver from listing rule 10.1 to the extent necessary to permit the Company not to seek shareholder approval in relation to the security interest comprising of a floating charge proposed to be granted by the Company over all its assets ("Security"), in favour of Mr Joseph Chung ("Mr Chung"), pursuant to the deed of loan between the Company, Auramatrix Pty Limited and Mr Chung dated 8 April 2015 ("Loan Agreement") under which Mr Chung proposes to advance the Company \$2,500,000, subject to the following conditions.*

- 1.1 *The Loan Agreement and the Security include a term that if an event of default occurs and Mr Chung exercises his rights under the Security, neither Mr Chung nor any of his associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the Loan Agreement, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Mr Chung) appointed by Mr Chung exercising his power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Mr Chung in accordance with his legal entitlements.*
- 1.2 *A summary of the material terms of the Security is made in each annual report of the Company during the term of the Security.*
- 1.3 *Any variations to the term of the Loan Agreement or the Security which is:*
- 1.3.1. *a material change; or*
- 1.3.2. *inconsistent with terms of the waiver,*
- must be consistent with the terms of the waiver.*
- 1.4 *The Company must seek to discharge the Security when the funds advanced under the Loan Agreement are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further loan amount.*
- 1.5 *The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Loan Agreement and the discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur.*
2. *ASX has considered listing rule 10.1 only and makes no statement as to the Company's compliance with other listing rules."*

It is intended that the amounts advanced by Mr Chung to the Company will be repaid on or before 30 June 2016^[NW1]. The Company confirms that the floating charge granted to Mr Chung will be discharged as soon as the amounts owing by the Company to Mr Chung have been repaid in full.

Yours faithfully

ELSMORE RESOURCES LTD

Joseph Chung
Executive Chief Executive Officer
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