

Elsmore Resources Ltd

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FOR IMMEDIATE RELEASE QUARTERLY ACTIVITIES REPORT

29 January 2016

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

ELSMORE RESOURCES LTD (Elsmore) – FOR THE QUARTER ENDED 31 DECEMBER 2015

Elsmore Resources Ltd (ASX: ELR) is pleased to provide its ninth Quarterly Activities Report and Quarterly Activity Statement since being admitted to the official list of the ASX on 23 December 2013.

Highlights

Elsmore continues processing plant upgrade.

Quarterly Cash Flow Report (Appendix 5b)

For the quarterly period ended 31 December 2015 the Company reported a net operating cash outflow of \$19,391. Cash at the end of the quarter net of overdraft was \$19,391.

As outlined in previous announcements, Mr Ashley Howard (the former Chairperson of the Company) purported to direct the Company's share registry to issue 19,385,230 additional fully paid shares in the Company between 21 January 2014 and 20 February 2014 without proper authorisation.

At the Company's Extraordinary General Meeting and Annual General Meeting held on 23 January 2015, shareholders approved the cancellation of those unauthorised shares by way of a selective capital reduction in accordance with Section 256B of the Corporations Act 2001 (Cth).

On 17 March 2015, the Company confirmed that 17,162,230 of the unauthorised shares had been cancelled, thereby reducing the Company's issued share capital to 98,968,630.

The Company is taking steps to cancel the remaining 2,223,000 unauthorised shares. The process is still in progress.

Additional material required pursuant to Listing Rule 5.3

In accordance with Listing Rule 5.3.1 the Company states as follows:-

Elsmore Resources Limited (ELR) The Company holds the following Exploration Licence's (EL's) and Mining Lease (ML) interests in the New England Region of New South Wales approximately 25km's South East from the township of Inverell:-

Number	Status	Holder	Grant Date	Expiry Date
7177	EL (granted)	ELR	15.07.2008	15.07.2016
8005	EL (granted)	ELR	31.10.2012	31.10.2014 (Renewal sought)
8178	EL (granted)	Sorolao Developments	17.10.2013	17.10.2016
8181	EL (granted)	Auramatrix Pty Ltd	17.10.2013	17.10.2016
8135	EL (granted)	ELR	08.07.2013	08.07.2016
881	Mining Lease (granted)	Joan & Colin Rynne	01.10.2008	30.09.2018
MLA 471	Mining Lease Application	ELR		

Pursuant to Listing Rule 5.3.2 and 5.3.3 the Company states as follows:-

- A. That the Group has started exploration activities and activities in respect to production and development and has incurred expenditure of \$42,100 in respect to exploration production and or development activities during the quarter ended 31 December 2015;
- B. That it has not disposed of or acquired any tenements in the quarter ended 31 December 2015.

Yours faithfully

ELSMORE RESOURCES LTD

Joseph Chung

Executive Chief Executive Officer

For further information please contact:

Mr Joseph Chung

CEO Elsmore Resources Ltd

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Elsmore Resources Ltd

ABN

35 145 701 033

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	2	4
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(42) (97)	(76) (155)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (Legal fee re court proceedings)	(44)	(116)
Net Operating Cash Flows		(181)	(343)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(7)	(16)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)	(1)	(1)
Net investing cash flows		(8)	(17)
1.13	Total operating and investing cash flows (carried forward)	(189)	(360)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(189)	(360)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	166	365
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	Net financing cash flows	166	365
	Net increase (decrease) in cash held	(23)	5
1.20	Cash at beginning of quarter/year to date	42	14
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	19	19

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	Nil
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	
	N/A	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,050	1,954
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	35
4.2 Development	
4.3 Production	
4.4 Administration	20
Total	55

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	22	14
5.2 Deposits at call		
5.3 Bank overdraft	3	0
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	19	14

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	N/A		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A		
7.3	*Ordinary securities	98,968,630	98,968,630	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			

+ See chapter 19 for defined terms.

Appendix 5B


Mining exploration entity and oil and gas exploration entity quarterly report

7.5	*Convertible debt securities (description)	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	Options (description and conversion factor)	N/A		Exercise price	Expiry date
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)	N/A			
7.12	Unsecured notes (totals only)	N/A			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:



 (Director/Company secretary)

Date: 29 January 2016

Print name:

.....Joseph Chung.....

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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