

20 December 2023

Dear Shareholder

Elmore's Share Purchase Plan (SPP)

On behalf of the Directors of Elmore Ltd (ACN 057 140 922) (**Elmore**), I am pleased to offer you the opportunity to participate in a SPP to raise up to a maximum of \$5,000,000 (before costs) (**SPP Offer**). The SPP Offer is not underwritten.

Under the SPP Offer, each eligible shareholder can apply for up to \$30,000 worth of Shares (**SPP Shares**) at an offer price of \$0.005 for each SPP Share (**SPP Offer Price**), without incurring brokerage or other transaction costs. For every 10 SPP Shares subscribed for, each eligible shareholder will receive one attaching Option, each with an exercise price of \$0.015 and an expiry date 18 months from the date of issue (**SPP Options**). Upon exercise, each SPP Option will entitle the holder to one Share.

Unless otherwise defined in this letter, capitalised terms have the meaning given to them in the Prospectus.

Suspension from trading

As you may be aware, Elmore's Shares have been suspended from trading on ASX since 2 October 2023 as a result of the delay in lodging the Annual Financial Report with ASX. During this period of suspension, Elmore has achieved a number of milestones as announced to ASX, including the following:

- a) on 23 October 2023, Elmore announced that it had signed binding agreements for a revised Pre-Payment and Offtake Arrangement (**Pre-Payment**) with Elmore's current offtake partner Royal Advance (HK) Pty Ltd (**Royal Advance**) for up to US\$11.0 million (approximately \$17.3 million) and a life of mine offtake, in lieu of the pre-payment announced 22 June 2023;
- b) on 27 October 2023, Elmore announced the third magnetite shipment departing the Darwin Port, which contained 30,000 wet metric tonnes and delivered to its offtake partner, Royal Advance;
- c) on 6 November 2023, Elmore announced that it had \$4.05 million of available funding as a result of agreeing binding commitments for \$2.24 million in additional funding under the November Investor Loans and \$1.8125 million of funds being made available as a result of the Bridge Conversion; and
- d) on 1 December 2023, Elmore announced it had executed binding documentation for the restructure of the finance arrangement with Oz Professionals (**Vendor Finance Restructure**), and security documentation delivered as conditions precedent pursuant to the terms of the Pre-Payment with Royal Advance and for the Vendor Finance Restructure. The execution of the security documentation was a condition precedent for the settlement of the November Investor Loans, and the US\$1.5 million (Tranche 2) and US\$2.0 million (Tranche 3) of the Pre-Payment from Royal Advance.

Given Elmore's current financial condition and the material uncertainty relating to going concern as described in section 4.2(b) of the Prospectus, ASX informed Elmore that the reinstatement of Elmore's Shares to trading will be subject to ASX being satisfied after the Annual General Meeting, in accordance with Listing Rule 12.2, that Elmore's financial condition is adequate to warrant the continued quotation of its securities and its continued listing on ASX. Elmore intends to lodge a submission with ASX in relation to its compliance with Listing Rule 12.2 and that requests confirmation from ASX of Elmore's view that it satisfies Listing Rule 12.2 and therefore requests that Elmore's Shares be reinstated to trading.

Subject to ASX being satisfied that Elmore complies with Listing Rule 12.2, Elmore has an expectation that trading in the Shares will recommence within a number of weeks after the Annual General Meeting and that its Share price will need time to stabilise after trading has recommenced. The Directors believe that an opening date of the SPP of 22 January 2024 (**SPP Opening Date**) will provide a reasonable period of time for the recommencement of trading of the Shares and for the Share price to stabilise prior to the opening of the SPP Offer. The Directors believe a SPP Opening Date on 22 January 2024 will allow Shareholders to have further clarity on the Share price and the future of the Company having regard to the announcements referred to above before the SPP Offer opens.

This date is indicative only and subject to change and the Directors may vary this date subject to the Listing Rules.

The SPP Offer Price of \$0.005 per Share is set at the last closing price of Elmore's Shares on ASX on 29 September 2023, being the last day before Elmore's Shares were suspended from trading on ASX.

SPP Application Amount

Pursuant to the SPP Offer, eligible shareholders may apply for a maximum of \$30,000 worth of SPP Shares by selecting one of the following options (**SPP Application Amount**):

Parcel	SPP Application Amount	Number of SPP Shares	Number of SPP Options
A	\$30,000	4,000,000	400,000
B	\$20,000	2,666,667	266,667
C	\$15,000	2,000,000	200,000
D	\$10,000	1,333,334	133,333
E	\$7,500	1,000,000	100,000
F	\$5,000	666,667	66,667
G	\$2,000	266,667	26,667

The above table summarises the number of SPP Shares that would be issued for different application amounts (assuming there is no scale back of applications). Where the amount applied for results in a fraction of a Share, the number of SPP Shares issued will be rounded up to the nearest whole number.

Eligible Shareholders

Shareholders will be eligible to participate in the SPP Offer and are an **Eligible Shareholder** if they:

- are registered as a holder of Shares as at 5:00pm (AWST) on 12 December 2023 (being the record date for the SPP Offer) whose registered address is in Australia or, subject to the offer restrictions in Section 2.19 of the Prospectus, New Zealand;
- who is not in the United States nor acting for the account or benefit of a person in the United States or elsewhere outside Australia and New Zealand; and
- who does not hold Shares on behalf of another person who resides outside Australia and New Zealand (unless they hold Shares in an eligible capacity).

Applying for SPP Shares

Eligible Shareholders wishing to participate in the SPP Offer must apply online to generate a personalised application form. To download your application form, you have the following 3 choices:

<p>I already have an online account with the Automic Share registry</p>	<p>https://investor.automic.com.au</p> <p>Select: "Existing Users Sign In".</p> <p>Once you have successfully signed in, click on "Documents and Statements".</p> <p>Download the Prospectus and acceptance form. Submit your payment using the payment details provided on your acceptance form.</p> <p>Do not return your acceptance form.</p>
<p>I don't have an online account with Automic – but wish to register for one</p>	<p>https://investor.automic.com.au/#/signup</p> <p>Select: Elmore Limited from the dropdown list in the ISSUER field.</p> <p>Enter your holder number SRN / HIN (from your latest Holding Statement). Enter your Postcode (Australia only) or Country of Residence (if not Australia).</p> <p>Tick box "I am not a robot", then Next Complete prompts.</p> <p>Once you have successfully signed in, click on "Documents and Statements".</p> <p>Download the Prospectus and acceptance form. Submit your payment using the payment details provided on your acceptance form.</p> <p>Do not return your acceptance form.</p>
<p>I don't have an online account with Automic – but want to use Automic for this Offer only</p>	<p>https://investor.automic.com.au/#/loginsah</p> <p>Select: Elmore Limited from the dropdown list in the ISSUER field.</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement). Enter your Postcode (Australia only) or Country of Residence (if not Australia). Tick box "I am not a robot", then Access.</p> <p>Once you have successfully signed in, click on "Documents and Statements".</p> <p>Download the Prospectus and acceptance form. Submit your payment using the payment details provided on your acceptance form.</p> <p>Do not return your acceptance form.</p>

If you are unable to access <https://investor.automic.com.au> online, you can obtain a copy of the Prospectus and your acceptance form – initially by calling Automic Group on 1300 288 664 or emailing hello@automicgroup.com.au and asking them to mail a paper copy of the Prospectus and your acceptance form to you free of charge. After your request has been acknowledged by Automic you will need to provide your SRN or HIN and postcode to complete this request. To accept an Offer using these paper copy documents, you will still need to make payment via BPAY® or via Electronic Funds Transfer (EFT). For New Zealand shareholders please follow the instructions on your acceptance form to make payment via EFT.

This SPP Offer is made in accordance with the Prospectus which is available on both the Company's website at <https://elmoreltd.com.au/investors/raising> and the ASX announcements platform <https://www.asx.com.au/markets/company/ele>.

Scale back

The Company intends to raise up to \$5,000,000 under the SPP Offer. If applications for more than the maximum amount of the SPP Offer are received before the SPP Closing Date, the Company intends to scale back applications equally on a pro rata basis.

Applications under the SPP Offer will be allocated at the absolute discretion of the Company and the final allocation decision will be at the sole discretion of the Board.

If the scale back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allocated will be rounded up to the nearest whole number of SPP Shares. If the Company scales back an application or purported application, the Company will promptly return to the Shareholder the relevant Application Monies, without interest, following allotment of the SPP Shares.

Shortfall

The SPP Offer is not underwritten. To the extent that there is a shortfall in the subscription for SPP Shares under the SPP Offer (**Shortfall**), it will make up a separate offer under this Prospectus. Shareholders participating in the SPP Shortfall Offer will receive one attaching Option for every 10 SPP Shares subscribed for, each with an exercise price of \$0.01 and an expiry date within 18 months from the date of issue. The terms of the Options are summarised in Schedule 2 of the Prospectus.

There is no maximum limit on the number of Shares that an investor may apply for under the SPP Shortfall Offer, however, investors will be limited to the extent that there is any Shortfall. Investors, including existing Shareholders, who wish to apply for the Shortfall pursuant to the SPP Shortfall Offer under this Prospectus should contact the Company.

The Directors reserve the right to issue the SPP Shares that comprise of the Shortfall to institutional or sophisticated investors at their absolute discretion, to the extent that any such placement of SPP Shares under the Shortfall can be made by the Company having regard to the ASX Listing Rules and the Corporations Act 2001 (Cth) (**Corporations Act**).

The Company will not allocate SPP Shares to the extent that the recipient's voting power in the Company would breach the takeover thresholds in the Corporations Act (i.e. in circumstances where the recipient would acquire a controlling interest in 20% or more of the issued Shares or increase an existing controlling interest of more than 20%, subject to certain exceptions).

Key SPP dates

Event	Date
Record date of the SPP	Tuesday 12 December
Announcement of the SPP	Wednesday 13 December
Lodgement of the Prospectus with ASIC and ASX	Wednesday 20 December
Opening date of the SPP	Monday 22 January
Closing date of the SPP	5:00pm (AWST) on Friday 9 February
Announcement of the results of the SPP	On or by Friday 16 February 2024

Event	Date
Completion of the issue of SPP Shares and SPP Options under the SPP	Friday 16 February 2024
Official quotation and commencement of trading of the SPP Shares under the SPP	Monday 19 February 2024
Opening date of the SPP Shortfall Offer	Monday 19 February 2024
Closing date of the SPP Shortfall Offer	5:00pm (AWST) on Friday 12 April 2024
Completion of the issue of SPP Shares and SPP Options under the SPP Shortfall Offer	Monday 15 April 2024
Official quotation and commencement of trading of SPP Shares under the SPP Shortfall Offer	Tuesday 16 April 2024

These dates are indicative and subject to change.

The SPP Shares will be issued pursuant to ASX Listing Rule 7.2 (exception 5) and will not utilise any of Elmore's Listing Rule 7.1 or 7.1A capacity. The SPP Options will be issued pursuant to Elmore's Listing Rule 7.1 capacity at that time. Elmore intends to seek shareholder approval for the issue of the SPP Shares and SPP Options under the SPP Shortfall Offer at its Annual General Meeting to be held on 15 January 2024.

Important information

The SPP Offer is governed by the Prospectus and a target market determination (**TMD**) (available at <https://elmoreltd.com.au/investors/raising>) has also been released in relation to the SPP Options. The Board urges you to read the Prospectus and the TMD carefully and in their entirety before deciding whether to participate in the SPP Offer.

If you are uncertain whether the SPP Shares and SPP Options are a suitable investment for you, please consult your financial or other professional adviser. The Board recommends that you obtain your own financial advice in relation to the SPP Offer and consider price movements of Elmore Shares prior to electing to participate in the SPP Offer.

Enquiries

If you have any enquiries in relation to your application form or the SPP Offer, please consult the Company's SPP website at <https://elmoreltd.com.au/investors/raising> or alternatively email the Company at info@elmoreltd.com.au or call on 08 6323 2310.

Yours sincerely



Russell Baskerville
Non-Executive Chairman
Elmore Limited