

# Elsmore Resources Limited

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13 February 2015

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

Dear Sir

**ELSMORE RESOURCES LTD (ELR)**  
**QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

Please find attached Quarterly Activities Report for the quarter ended 30 September 2014.

Because the Auditors would not sign off on the June 2014 accounts until the resolutions relating to issued capital were passed at the recent EGM, the directors resolved to withhold lodgement of the subsequent Quarterly Report which contains information on issued capital.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Richard Hill', with a stylized flourish at the end.

**Richard Hill**  
*Director*

# Elsmore Resources Ltd

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Pyrmont NSW 2009  
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## FOR IMMEDIATE RELEASE QUARTERLY ACTIVITIES REPORT

12 February 2015

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

### **ELSMORE RESOURCES LTD (Elsmore) – FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

Elsmore Resources Ltd (ASX: ELR) is pleased to provide its fourth 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 30 September 2014 the Company reported a net operating cash outflow of \$581. Cash at the end of the quarter was \$8,609.

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 19,385,230 additional fully paid shares in the Company. The Company has not received any payment from any of the holders of these shares. The issue of the shares exceeded the amount that the Company is entitled to issue without obtaining shareholder approval.

Following an in-depth investigation, the Company has confirmed the identity of the majority of the holders of the unauthorised shares and the number of shares held by each.

After discussion with certain holders of the unauthorised shares, it was agreed that the unauthorised shares should be cancelled by way of a selective capital reduction. As no consideration was received by the Company for the unauthorised shares, the Company proposed to effect the selective capital reduction for no consideration.

The Company now advise that both the Class Meeting and the General Meeting held on 23 January 2015 each of the required special resolutions were passed. The Company filed a notice with ASIC to cancel 19,385,230 shares, the effective date of which was 9 February 2015. This has been treated as a post balance sheet date event in the annual report for the year ended 30 June 2014.

### **Additional material required pursuant to Listing Rule 5.3**

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

Elmore 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	15.7.2008	15.7.2014 (Renewal sought)
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	08.7.2013	8.7.2016
881	Mining Lease (granted)	Joan & Colin Rynne	1.10.2008	30.9.2018
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 \$88,160 in respect to exploration production and or development activities during the quarter ended 31 December 2014;

B. That it has not disposed of or acquired any tenements in the quarter ended 30 September 2014

Yours faithfully

*ELSMORE RESOURCES LTD*

***Joseph Chung***

***Executive Chief Executive Officer***

***For further information please contact:***

***Mr Joseph Chung***

***CEO Elsmore Resources Ltd***

***Tel: 612 9267 0004***

***Email [info@elsmoreresourceltd.com.au](mailto:info@elsmoreresourceltd.com.au)***

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Elsmore Resources Ltd

ABN

35 145 701 033

Quarter ended ("current quarter")

31 December 2014

#### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(27)	(74)
	(b) development		
	(c) production		
	(d) administration	(152)	(218)
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 proceedings (security for cost)	(40)	(40)
	– June 2014 prepaid expenses		
	adjustment reclassified from cash on hand in the accounts of the controlled entity	-	(6)
<b>Net Operating Cash Flows</b>		<b>(219)</b>	<b>(338)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	(2)
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)		
<b>Net investing cash flows</b>		<b>-</b>	<b>(2)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(219)</b>	<b>(340)</b>

+ 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)	(219)	(340)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	229	344
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	<b>Net financing cash flows</b>	229	344
	<b>Net increase (decrease) in cash held</b>	10	4
1.20	Cash at beginning of quarter/year to date	9	15
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	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'000
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

## 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	1,100	1,020
3.2 Credit standby arrangements	N/A	

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	40
4.2 Development	
4.3 Production	
4.4 Administration	60
<b>Total</b>	<b>100</b>

### 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	19	10
5.2 Deposits at call		
5.3 Bank overdraft	(0)	(1)
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>19</b>	<b>9</b>

+ See chapter 19 for defined terms.

**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		

+ See chapter 19 for defined terms.



## Mining exploration entity and oil and gas exploration entity quarterly report

7.3	<b>*Ordinary securities – Before selective capital reduction on 23 January 2015</b>	116,130,860	62,793,081		
	<b>See Item 7.4 below</b>	<19,385,230>	-		
	<b>After selective capital reduction</b>	96,745,630	62,793,081		
7.4	<b>Changes during quarter</b>				
	(a) Increases through issues (between 21 January 2014 and 20 February 2014)	19,385,230	19,385,230	\$0.20	\$3,877,046(funds not received)
	(b) Decreases through returns of selective capital reduction on 23 January 2015	<19,385,230> (Item 7.3)	<19,385,230>	\$0.20	<3,877,046>
7.5	<b>*Convertible debt securities (description)</b>	N/A			
7.6	<b>Changes during quarter</b>	N/A			
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	<b>Options (description and conversion factor)</b>	N/A		<i>Exercise price</i>	<i>Expiry date</i>
7.8	<b>Issued during quarter</b>				
7.9	<b>Exercised during quarter</b>				
7.10	<b>Expired during quarter</b>				

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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: 12 February 2015

Print name: .....Joseph Chung.....

+ See chapter 19 for defined terms.