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ELMORE

ASX: ELE

QUARTERLY ACTIVITIES REPORT

30 September 2020

Elmore Limited (the "Company" or "Elmore") (ASX: ELE) is pleased to provide its quarterly activities report for the period ended 30 September 2020.

KEY POINTS

- Frances Creek contract now completed, with all outstanding invoices now paid and mobile plant relocated to Darwin.
- Frances Creek fixed plant currently being disassembled and relocated to Darwin to be converted into a moveable 4-5Mtpa crushing and screening plant.
- Work continuing on ICA Mining's Peko Project, with site access now expected mid-November.

OPERATIONS

FRANCES CREEK

The six-month equipment hire contract with Trendsheer was completed on 30 September 2020, with Trendsheer advising the Company that it would not need Elmore's equipment moving forward. Trendsheer are planning structural changes on site, and therefore Elmore's equipment was no longer needed and hence no contract extension.

Elmore determined Trendsheer's final equipment "make good" payment in early October and then signed a land Access Agreement, which allows the Company to relocate the mobile and fixed crushing and screening plant (FCFP).

Trendsheer finalised all outstanding payments in early October, which totalled more than $980k.

With the Access Agreement signed, work has commenced on dismantling the FCFP and relocating it to Darwin, to be worked on and stored, whilst determining the next location for it to be deployed. The plant is expected to be fully relocated to Darwin by the end of year.

The Company has started the process of converting the FCFP into a 4-5Mtpa moveable crushing and screening plant, utilising the Company's proprietary modularly foundations.

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The Company is considering the future use of the plant, including potential joint ventures with mine owners.

Elmore's Managing Director, Mr David Mendelawitz commented:
"It is exciting to see that the Company has now completed its first processing contract, the Company has been paid in full and now we have ongoing access to mobile equipment for the next project."

PEKO TAILINGS PROJECT

As previously advised, the revision of the contract with ICA Mining for the provision of project management consulting fee to its project at Peko, near Tennant Creek was finalised in the June 2020 quarter. This contract includes project geology, metallurgy, engineering, and safety systems design. Whilst as originally planned, still overseeing the design, procurement and construction of a magnetite processing plant to be owned by ICA Mining.

The project work is expected to be completed by the end of October, with some minor issues to be resolved shortly after this.

Access to mine site has been delayed and is expected to be granted in mid-November when work will begin on site.

Elmore's Managing Director, Mr David Mendelawitz commented:
"The contract with ICA Mining is progressing well and highlights the Company's increased expertise and capabilities that have been put together over the last year and a half. The relationship with ICA is strong and, along with the finalised Trendsheer contract, demonstrates the successful new direction that the Company is following."

CORPORATE

VOLUNTARY SUSPENSION

On 12 December 2018, the Company requested a voluntary suspension of the trading of its securities on the ASX.

The Company has requested extensions of the voluntary suspension.

At the time of lodging this report the Company remains in suspension.

The Company is continuing to progress towards re-instatement of the trading of its shares on the ASX. A Notice of Meeting (NOM) has been circulated to the ASX, covering a range of items to be put forward to shareholders for approval, which aid in satisfying the ASX's requirements for re-instatement.

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Once the ASX are satisfied with the NOM it will be dispatched to shareholders.

INFORMATION REQUIRED BY LISTING RULE 5.3.5

During the quarter, the Company made the following payments to the related parties and their associates in item 6 of the Appendix 5B totalling $118,624. This relates to salary and wages of the directors of $108,332 and superannuation paid of $10,292.

FREEMAN V ELMORE LTD & ANOR

The trial of the employment dispute between Sean Freeman and Elmore Ltd was heard by the Federal Circuit Court on Friday 16 October 2020.

The company is pleased to advise that it was successful at trial and that Mr Freeman's case was dismissed in its entirety.

Due to the forum in which the trial was held, no order was made for costs of either party. Mr Freeman has until 2 November 2020 to lodge any appeal if he proposes to do so.

MANAGING DIRECTOR'S COMMENT

Elmore's Managing Director, Mr David Mendelawitz commented:

"I am very proud of the results that the team have been able to achieve this quarter. We believe that we have now come out the other side of the long process of transitioning the Company, and given our contracts, equipment and team, we have a strong base to move forward towards a bright future.

I am grateful for the support and patience that Shareholders have shown during, what has no doubt been a very frustrating time. Now, in addition to what we currently have, a lot of very exciting opportunities are presenting themselves and I am looking forwards to turning Elmore into a successful Company and something that Shareholders can be proud of."

-ENDS-

For more information:

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Company Secretary
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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity	
Elmore Limited	
ABN	**Quarter ended ("current quarter")**
32 057 140 922	30 September 2020

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,224	1,224
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	(318)	(318)
	(d) staff costs	(394)	(394)
	(e) administration and corporate costs	(376)	(376)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(22)	(22)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	30	30
1.8	Other (provide details if material)	20	20
1.9	**Net cash from / (used in) operating activities**	**165**	**165**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(16)	(16)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(16)**	**(16)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6	6
4.2	Net cash from / (used in) operating activities (item 1.9 above)	165	165
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(16)	(16)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**155**	**155**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	155	6
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**155**	**6**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	118
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	165
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	165
8.4	Cash and cash equivalents at quarter end (Item 4.6)	155
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	320
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	2

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company expects to receive positive cash flows from operating activities over the next quarter

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company will issue a notice of meeting soon which will seek to raise funds over the next quarter.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to continue its operations and become cash flow positive over the next quarter.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020.....

Authorised by: By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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