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[www.kpmg.com.au](http://www.kpmg.com.au)

31 March 2025

## To Creditors as addressed

Dear Sir/Madam

### **Elmore Ltd ACN 057 140 922 (Subject to Deed of Company Arrangement) And subsidiaries as set out in Annexure A (Collectively referred to as “the Elmore Group” or “the Group”)**

#### **Deed Administrators’ update on the DOCA for the Elmore Group**

I refer to previous correspondence to creditors of the Group, and in particular the Report to Creditors dated 2 December 2024, and Meeting of Creditors held on 17 December 2024 at which creditors resolved to vary the Group’s Deed of Company Arrangement (**DOCA**) to extend the Fixed Date of the termination date of the DOCA from 31 December 2024 to 31 March 2025.

For completeness, we advise that one of the former Deed Administrators of the Group, Clint Joseph, has resigned from KPMG.

In accordance with clause 9.11 of the DOCA, Mr Joseph is required to provide 10 business days’ notice to the Group. Notice was given on 20 March 2025. A notice to this effect will therefore be lodged with the Australian Securities and Investments Commission on 4 April 2025 to record his resignation at that date.

The purpose of this Circular is to report to creditors in accordance with clause 12.1 (iii) of the DOCA.

## **1 Extension to the DOCA Fixed Date from 31 March 2025 to 30 June 2025**

As outlined in the Circular to Creditors dated 17 December 2024, the purpose of extending the Fixed Date to 31 March 2025 was to provide:

- The Deed Administrators with further time to work with the Directors and any other interested parties, to formulate a DOCA proposal capable of consideration by creditors; and
- The varied DOCA may make available funds from third-party/ies, which would otherwise not be available in a liquidation.

Since our Report to Creditors dated 2 December 2024, the two (2) main tasks which we have been progressing are as follows:

- advancing the sale transaction proposed by Oz Pro in relation to the Project. The sale transaction is fairly progressed and is expected to complete in near future, subject to Ministerial approval on the transfers of the tenements; and
- continuing in our discussions with the Directors to formulate a DOCA proposal capable of consideration by creditors.

**Therefore, I advise that we have extended the Fixed Date of the termination of the DOCA to 30 June 2025 to allow the Deed Administrators progress the sale transaction and further time to work**



with the Directors and any other interested parties, to formulate a DOCA proposal(s) capable of consideration by creditors.

## 2 Update on the Deed Administration

### 2.1 Tasks completed to date

In our Report to Creditors dated 2 December 2024, we note (amongst other things) that

- The Deed Administrators have agreed to facilitate a sale transaction proposed by Oz Pro in relation to the Project. That proposed sale transaction is governed by a binding term sheet (Term Sheet) and is to be progressed in several stages and ultimately will see the assets and underlying tenements and licenses associated with the Project be sold to the buyer. The Term Sheet is subject to confidentiality provisions.
- The Term Sheet contemplates (amongst other things):
  - a. Peko Rehabilitation Project Pty Ltd (**Peko Rehab**) entering into a variation of the Group DOCA on terms to be agreed between Oz Pro, the Deed Administrators and the Buyer. The Term Sheet also contemplates, relevantly, that the Buyer will subsequently acquire all 100 fully paid ordinary shares in Peko Rehab to become the sole holder of the issued capital in Peko Rehab.
  - b. the sale of plant and equipment owned by Peko Iron. Peko Iron, Oz Pro and the buyer entered into an asset sale agreement in respect of the plant and equipment on 8 November 2024 (**ASA**). The ASA is completed in late January 2025.
  - c. The relevant entities within the group entering into a Share Asset Sale Deed (**SASD**) in relation to the sale of shares in Peko Bull, the tenements of the Project and tailings.

Peko Rehab's DOCA was executed on 5 December 2024. The Deed Administrators have retired from Peko Rehab. As of 12 December 2024, the Deed Administrators established the Peko Rehabilitation Creditors Trust to facilitate a mechanism which allowed for the resumption of Peko Rehab's business under new directors and also to enable a return to creditors of Peko Rehab.

The SASD has a completion date of 4 April 2025 but may be extended by mutual consent of the parties to the SASD. As Deed Administrators, we have also attended to the following key tasks:

- Attended to creditor queries
- Maintained and updated the Deed Administrators' accounting system and receipts and payments
- Liaised with the Deed Administrators' legal advisers and former Receivers and Managers where required.
- Attended to all statutory obligations consistent with our appointment
- Completed this Report updating creditors on the progress of the sale transaction and DOCA;

## 3 Statutory Investigation

Please refer to the Administrators' Reports to Creditors dated 15 May 2024 and Supplementary Report to Creditors dated 18 July 2024 for full details regarding the Administrators' statutory investigations and potential recoveries available in a liquidation scenario.



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## 4 Receipts and Payments

A summary of the receipts and payments for the period 11 October 2024 to 28 March 2025 is presented below:

Receipts and payments	Elmore Ltd	Peko Iron Project Pty Ltd	Total (Excl GST)
<b>Opening Balance as at 11 October 2024</b>	<b>213,156</b>	<b>193,764</b>	<b>406,920</b>
<b>Receipts</b>			
Interest Income	2,841	5,256	8,097
Contribution from Secured Creditor	35,000	354,520	389,520
GST and Fuel Tax Credits Refund Received	-	11,835	11,835
Sale of Plant & Equipment	-	250,000	250,000
GST on Receipts	3,500	36,802	40,302
<b>Total Receipts</b>	<b>41,341</b>	<b>658,413</b>	<b>699,754</b>
<b>Payments</b>			
Legal Fees	-	(15,000)	(15,000)
Printing and stationery	-	(244)	(244)
Payment to Secured Creditor	-	(250,000)	(250,000)
GST on Payments	-	(1,524)	(1,524)
<b>Total Payments</b>	<b>-</b>	<b>(266,768)</b>	<b>(266,768)</b>
<b>Cash at bank as at 28 March 2025</b>	<b>254,497</b>	<b>585,409</b>	<b>839,906</b>
<b>Less current liabilities</b>			
<b>Administrators Remuneration</b>			
6 Feb 2024 to 16 Aug 24	(623,625)	(619,439)	(1,243,064)
Subsidiaries 6 Feb 2024 to 16 Aug 24	(33,776)	(33,776)	(67,552)
<b>Deed Administrators Remuneration</b>			
17 Aug 24 to 21 Mar 25	(172,839)	(164,125)	(336,964)
Subsidiaries 17 Aug 24 to 21 Mar 25	(8,740)	(8,740)	(17,480)
Deed Administrators accrued expenses (incl legal fees)	-	(180,000)	(180,000)
GST refundable / (payable)	(3,500)	(35,278)	(38,778)
<b>Total Liabilities</b>	<b>(842,480)</b>	<b>(1,041,358)</b>	<b>(1,883,838)</b>
<b>Estimated Shortfall</b>	<b>(587,983)</b>	<b>(455,949)</b>	<b>(1,043,932)</b>

## 5 Next steps and further information

Clause 12.1(b) (vi) of the DOCA requires that, if possible, we provide an estimated termination date or an estimated date of when a proposal to vary the DOCA will be made. In this regard, we estimate that a proposal to vary the DOCA will be made on or before 30 June 2025.

Once a more comprehensive (fulsome) DOCA proposal is sufficiently progressed to be presented to the creditors of the Elmore Group then the Deed Administrators will provide a further report to creditors.

Creditors may access copies of previous correspondence issued by the Deed Administrators from the following KPMG website <https://kpmg.com/au/en/home/creditors/elmore.html>. In addition, you can access general information about external administrations and insolvency from ARITA's website at [www.arita.com.au](http://www.arita.com.au).



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Should you have any further questions, please contact Emilija Hristova of my office by email at [elmore@kpmg.com.au](mailto:elmore@kpmg.com.au).

Yours faithfully

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

**Martin Jones**  
Deed Administrator



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## **Annexure A – Subsidiaries**

<b>Subsidiaries (All subject to Deed of Company Arrangement)</b>	
Peko Iron Project Pty Ltd (ACN 652 243 733)	
Peko Gold Lending Pty Ltd (ACN 639 981 767)	
ICA Mining Pty Ltd (ACN 629 874 246)	
Peko Bull Pty Ltd (ACN 608 113 257)	
Sitzler Savage Pty Ltd (ACN 089 842 875)	
DHAAB Mining Pty Ltd (ACN 640 269 709)	
Fratres Mining Pty Ltd (ACN 639 981 507)	