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11 October 2024

To Creditors as addressed

Dear Sir/Madam

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

Deed Administrators update on the DOCA of the Elmore Group

I refer to the above matter and our previous correspondence.

I confirm that at the Reconvened Second Meeting of Creditors held on 26 July 2024, creditors of the Elmore Group resolved to accept the Deed of Company Arrangement (“DOCA”) which was executed on 16 August 2024. Accordingly, Matthew Woods, Clint Joseph, and I, Martin Jones became the Joint and Several Deed Administrators of the Group on that day.

I also confirm that Richard Tucker and John Bumbak of KordaMentha were appointed as Receivers and Managers of seven of the nine entities comprising the Group on 16 February 2024. The Receivers and Managers remain in control of the Group’s affairs.

The DOCA operates for a fixed period of 60 days from commencement (unless extended) and was to allow (during this period) the Deed Administrators to:

- conduct further investigations into the affairs of the Group, for the purposes of maximising funds available for distribution to creditors; and
- seek proposals for the restructure or rearrangement of the Group’s business, property and affairs.

I advise that I have extended the Fixed Date of the termination of the DOCA to 31 December 2024 to allow the Deed Administrators further time to work with the Directors and any other interested parties, to formulate a DOCA proposal(s) capable of consideration by creditors.

The DOCA also required the Deed Administrators to report to creditors, by providing a report within 60 days of the date of when the Group entered into the DOCA (i.e. by 15 October 2024). The purpose of this circular is to report to creditors in accordance with clause 12.1(a)(iii) of the DOCA.

1 Update on the Deed Administration

1.1 Tasks completed to date

Since the execution of the DOCA, the Deed Administrators had continued to liaise with (and where required assisted) interested parties on the formation of a DOCA proposal.

As Deed Administrators, we have also attended to the following key tasks since the execution of the DOCA:

- Attended to creditor queries
- Maintained and updated the Deed Administrators’ accounting system and receipts and payments
- Liaised with the Deed Administrators’ legal advisers and Receivers and Managers in relation to the potential restructure and/or rearrangement of the Group’s business, property and affairs;
- Notified creditors of the execution of the DOCA and appointment of the Deed Administrators of the Group, including updates to the KPMG website
- Considered requirements of extension of financial reporting relief
- Attended to all statutory obligations consistent with our appointment
- Prepared this report to creditors dated 11 October 2024



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1.2 Trading update

Since our Supplementary Report to Creditors, we have not received a further trading update from the Receivers and Managers, other than that the final Elmore employee was terminated on 13 September 2024. Accordingly, the Group is no longer employing.

2 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.

I note that, at this stage, no further investigations have been carried out by the Deed Administrators or deemed required since our last report.

3 Remuneration

A summary of previously approved remuneration for each individual company for the DOCA is detailed below, with total amount of work incurred to date from 16 August 2024 to 4 October 2024. A further variation of the approved remuneration for the DOCA commencement may be presented following the proposal of a DOCA. If so, the Deed Administrators will seek for further remuneration approval in a reconvened meeting of creditors.

Remuneration Amount	Elmore Ltd	Peko Iron Project Pty Ltd	Other Subsidiaries	Total (\$ ex GST)
Approved DOCA commencement to completion	50,000	50,000	14,000	114,000
Amount of work incurred from 16 August 2024 to date	23,409	6,366	3,200	32,975
Approved remuneration remaining	26,592	43,634	10,800	81,026

I note that no remuneration or disbursements have been paid to date.

4 Receipts and Payments

A summary of the receipts and payments for the period 16 August 2024 to 10 October 2024.

	Elmore Ltd	Peko Iron Project Pty Ltd	Total (Excl GST)
Receipts and payments			
Opening Balance as at 16 August 2024	214,220	192,765	406,984
Receipts			
Interest Income	1,106	1,000	2,106
Total Receipts	1,106	1,000	2,106
Payments			
Annual Leave - on Termination	(243)	-	(243)
PAYG Withheld	84	-	84
Printing and stationery	(1,828)	-	(1,828)
Total Payments	(1,987)	-	(1,987)
GST on Payments	(183)	-	(183)
Cash at bank as at 11 October 2024	213,156	193,764	406,921
Less current liabilities			
PAYG	(84)	-	(84)
KPMG Lien for WIP to 16/2	(184,539)	(172,550)	(357,089)
Subsidiaries WIP	(18,764)	(18,764)	(37,528)
Administrators/Deed Administrators accrued expenses	(9,952)	(2,450)	(12,402)



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	Elmore Ltd	Peko Iron Project Pty Ltd	Total (Excl GST)
Receipts and payments			
GST Paid	183	-	183
Total Liabilities	(213,156)	(193,764)	(406,920)
Cash available after payment of Deed Administrators expenses	Nil	Nil	Nil

5 Next steps and further information

Clause 12.1(b)(vi) 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, the Deed Administrators presently anticipate that any proposal to vary the DOCA will be made to creditors on or before 31 December 2024, subject to the receipt of a sufficiently progressed DOCA proposal by a prospective proponent which may, in the Deed Administrators' view, feasibly result in a variation to the DOCA.

Once a more comprehensive (fulsome) DOCA proposal is sufficiently progressed to be presented to the creditors of the Elmore Group, or alternatively should a sale transaction be entered into by the Receivers and Managers and an interested party, then the Administrators will write to creditors to inform them of same.

Creditors may access copies of previous correspondence issued by the Voluntary 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

Should you have any further questions, please contact Emilija Hristova by email at elmore@kpmg.com.au

Yours faithfully

Martin Jones
Deed Administrator



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Annexure A – Subsidiaries

Subsidiaries	Subject to DOCA	Receivers and Managers Appointed
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)	✓	✓
Peko Rehabilitation Project Pty Ltd (ACN 076 018 776)	✓	✓
Sitzler Savage Pty Ltd (ACN 089 842 875)	✓	✓
DHAAB Mining Pty Ltd (ACN 640 269 709)	✓	✗
Fratres Mining Pty Ltd (ACN 639 981 507)	✓	✗