

ASX ANNOUNCEMENT

31 October 2018

SEPTEMBER 2018 QUARTERLY REPORT

HIGHLIGHTS:

- **Entry of Arrangement Agreement for the Acquisition of the Oropesa Tin Project in Spain**
- **Substantial increase in Cleveland open pit project resources following revised JORC study**
- **\$1.2m Capital Raising**
- **LME Tin Price of US\$19,415/t**

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to report on activities during the September 2018 quarter, including the acquisition of the Oropesa Tin Project in Spain, actively progressing the Cleveland tin, copper and tungsten project in Tasmania towards development, and a \$1.2m capital raising. The Company is rapidly fulfilling its strategic objective to become a significant tin producing company through the development of a number of projects.

ACQUISITION OF THE OROPESA TIN PROJECT

The Company announced on the 31st July 2018 the signing of a binding Heads of Agreement (**HoA**) with Eurotin Limited (TSX-V: TIN) (**Eurotin**) to acquire the 96% owned Oropesa Tin Project located in Spain (**Oropesa**). Subsequent to the reporting period (22nd Oct 2018), the Company has satisfactorily completed its due diligence on Oropesa and has now entered a fully executed Arrangement Agreement with Eurotin to acquire Oropesa.

The acquisition of Oropesa represents an excellent opportunity to create value-uplift potential for shareholders as the project is advanced towards development. Attraction of the Oropesa project, include:

- **Large, well-defined resource** - A globally significant, undeveloped resource with strong opportunities for resource expansion;
- **Open-cut mining potential** –The deposit is amendable to simple drill and blast, truck and shovel open cut mining operations;
- **Simple metallurgy** - extensive metallurgical testing and process flowsheet designed to produce a 62.4% tin concentrate at a 74.2% metallurgical recovery;
- **Near-term production potential** – A Definitive Feasibility Study has commenced.;
- **Permitting process advanced** – A base-line Environmental Impact Assessment was lodged with the Government in January 2018 and a Mining License application has been submitted to the Government for approval;

- **Located close to development infrastructure** - Located close to major highways which link to export ports, water supply and power supply. The region has a skilled mining workforce;
- **Low sovereign risk** - The Andalucía region of Spain is home to some of the country's most significant mining operations and part of the European Union which provides a safe investment environment;
- **Large sunk cost** – significant investment in drilling, geophysics, metallurgical testing and development studies; and
- **Local community support** - The local government and community is extremely supportive of the project moving ahead.

Oropesa Overview

Location and Infrastructure

Oropesa consists of a 14.51 square kilometre concession package located approximately 75 kilometres north-west of Cordoba and 180 kilometres north-east of Seville, in the region of Andalucía, in southern Spain. The Oropesa district has historically been a mining district for base metals with coal mining ceasing in recent times.

Tin mineralisation was first recognised at Oropesa in 1982. Intensive exploration activity since 2010, including 261 drill holes, has resulted in the definition of the current mineral resource. The project area contains numerous geophysical and geochemically anomalous regions that could potentially extend this resource with additional exploration.

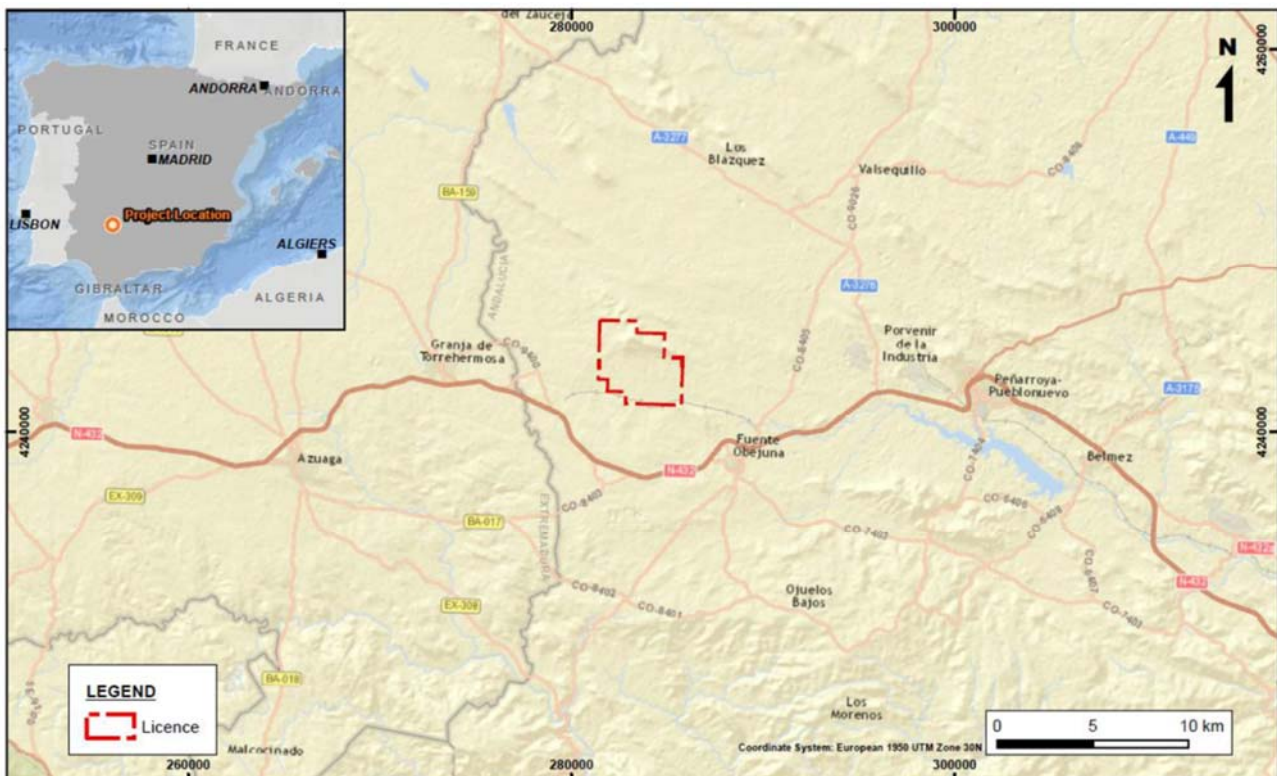


Figure 1 - Location of Oropesa

Access to the Oropesa project area is well serviced with paved highways and gravel roads and tracks throughout the area. There is rail access approximately 16 kilometres from the project area. The district also has a number of power transmission lines of varying voltage capacities.

JORC Mineral Resources

The tin mineralisation (cassiterite with minor stannite) occurs as a replacement style orebody associated with sulphides, predominantly pyrite and pyrrhotite within a sedimentary sequence at the contact between sandstone and conglomerate units. Widespread folding of the sedimentary sequence has resulted in the mineralised sequence being overturned and repeated in places.

The Oropesa tin project contains a JORC compliant Measured, Indicated and Inferred Resource of 67,520 tonnes of tin.

Oropesa 2018 JORC Mineral Resource Estimate (at 0.15% Sn cut-off)			
Category	Tonnage	Sn Grade	Contained Sn
Measured	330,000t	1.09%	3,585t
Indicated	9,010,000t	0.53%	47,320t
Measured + Indicated	9,340,000t	0.55%	50,905t
Inferred	3,200,000t	0.52%	16,615t

Table subject to rounding errors; Sn = Tin

Table 1. 2018 JORC Resource Estimate for the Oropesa Tin Project

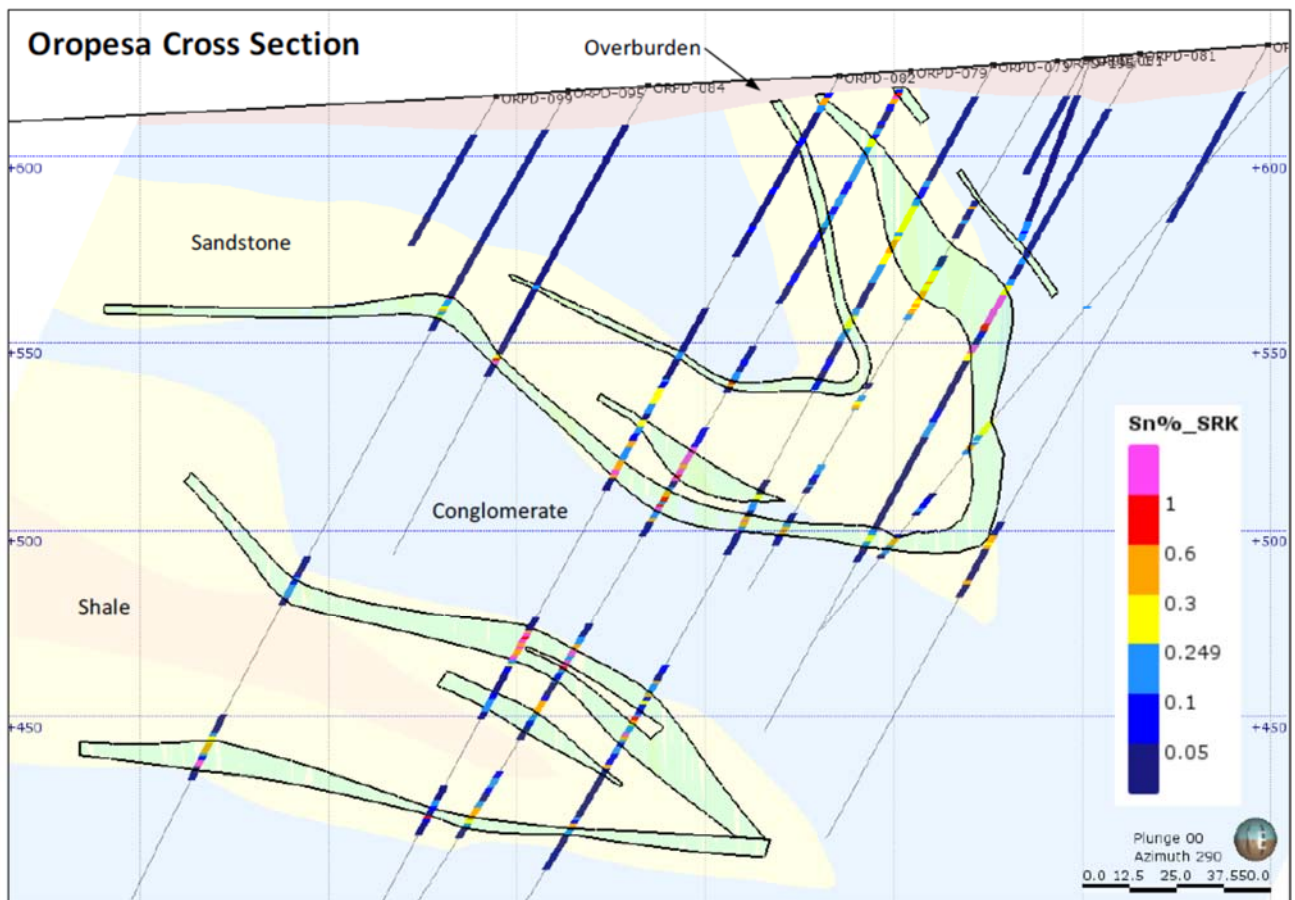


Figure 2 - Cross section of the Oropesa orebody looking northwest

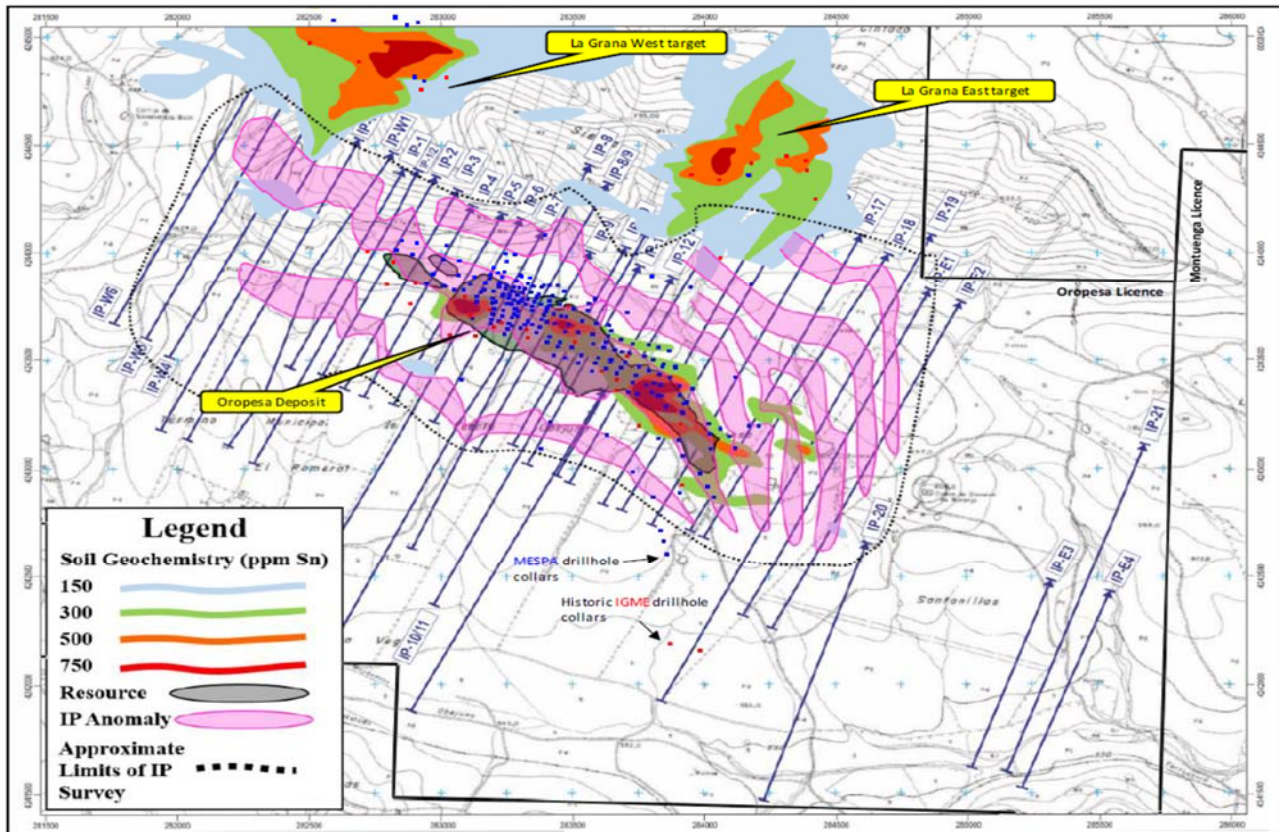


Figure 3: Oropesa – resource location, soil geochemistry and IP geophysical anomalies

CLEVELAND PROJECT UPDATE

The Company completed an update to the JORC Resource Estimate for hard rock resources for the Cleveland tin-copper and tungsten projects in Tasmania. There has been no change to the existing 2015 estimate for the tailings resource at Cleveland. The results for the 2018 hard rock resource estimate are reported in accordance with the JORC Code (2012) and was independently prepared by Measured Group Consultants. The significant upgrade in the revised JORC Resource Estimate for the Cleveland Project can be viewed in Table 2. The total contained tin within the revised 2018 JORC Resource Estimate increased by 15.8% and contained copper increased by 20.0%.



Figure 4. Cleveland Project Location Plan

The review was undertaken following the recent completion of the diamond drilling exploration programme at Cleveland that was specifically targeting extensions and limits to the potential open pit resources. The 2018 open pit resource contained tin content has increased by 168% from the previous estimate announced in 2015. The open pit resource potential has been assessed to a depth of 150m from surface with pit boundaries positioned with no impact on existing natural water courses and minimal interference with any future underground re-development.

The mineral resource upgrade resulted from modelling near surface ore lenses that were not included in the previous resource estimate, increased resources resulting from the recently completed drilling programme and reducing the dilution along the margins of the ore lenses. The Cleveland ore body remains open at depth, along strike and down dip from the currently defined ore lenses.

Open Pit Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)					
NOTE: this Open Pit Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted below					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	1.73 Mt	0.93%	16,100t	0.33%	5,700t
Inferred	0.16 Mt	1.18%	1,900t	0.49%	800t
TOTAL	1.89 Mt	0.95%	18,000t	0.34%	6,500t
Table subject to rounding errors; Sn = tin, Cu = copper					
Underground Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)					
NOTE: this Underground Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted below					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	4.50 Mt	0.68%	30,600t	0.29%	13,000t
Inferred	1.08 Mt	0.70%	7,500t	0.25%	2,700t
TOTAL	5.58 Mt	0.68%	38,100t	0.28%	15,700t
Table subject to rounding errors; Sn = tin, Cu = copper					
Total Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	6.23 Mt	0.75%	46,700t	0.30%	18,700t
Inferred	1.24 Mt	0.76%	9,400t	0.28%	3,500t
TOTAL	7.47 Mt	0.75%	56,100t	0.30%	22,200t
Table subject to rounding errors; Sn = tin, Cu = copper					
Tailings Ore Reserve - September 2018 (at 0% Sn cut-off)					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Probable	3.7 Mt	0.29%	11,000t	0.13%	5,000t
Table subject to rounding errors; Sn = tin, Cu = copper					
*1 - This information was prepared and first disclosed in 2015 under the JORC Code 2012. It has not been updated since on the basis that the information has not materially changed since it was last reported.					
Table subject to rounding errors; Sn = tin, Cu = copper					
Underground Tungsten Mineral Resource - September 2018 (at 0.20% WO ₃ cut-off)					
Category	Tonnage	WO ₃ Grade			
Inferred	4 Mt	0.30%			
*2-This information was prepared and first disclosed in 2014 under the JORC Code 2012. It has not been updated since on the basis that the information has not materially changed since it was last reported.					
Table subject to rounding errors; WO ₃ = tungsten oxide					

Table 2. 2018 JORC Resource Estimate for the Cleveland Tin – Copper (Tungsten) Project

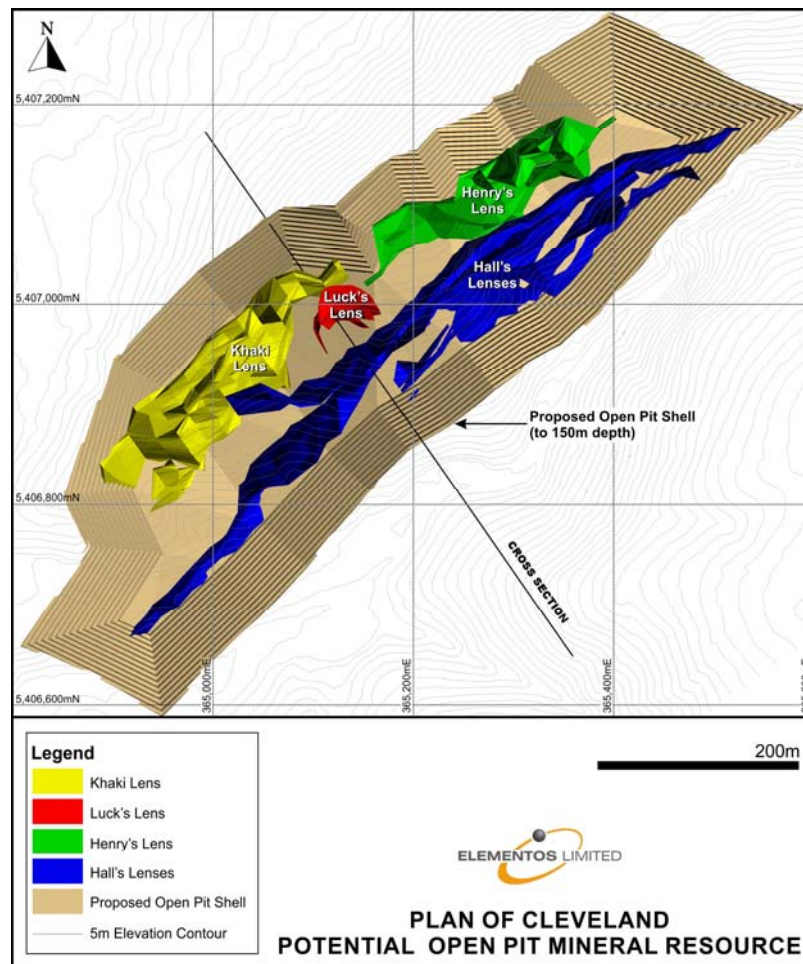


Figure 4. Plan of Potential Cleveland Open Pit Resource

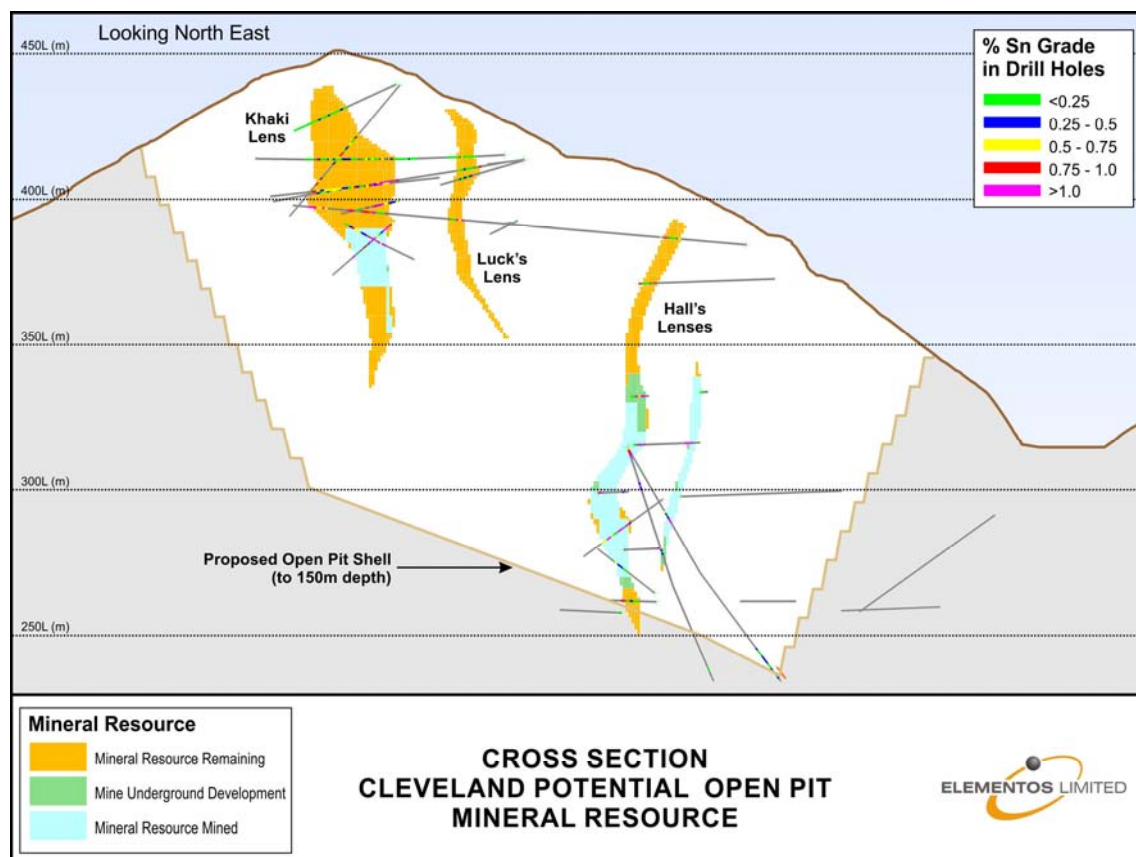


Figure 5. Cross Section of Cleveland Potential Open Pit Resource

TEMENGOR

Elementos has entered into a non-binding MOU with Empire Tin Mining Sdn Bhd for a Farm-in and Joint Venture Agreement on the Temengor Project in Peninsular Malaysia. The term of the MOU has been extended to accommodate changes in regulatory authorities and procedures resulting from the recent general election in Malaysia.

EXPLORATION TENEMENTS

Elementos Ltd held the following interests in tenements at the end of the quarter:

Tenement Name	Tenement Number	Area (km ²)	Elementos Interest	Tenement Location
Cleveland	EL7/2005	55	100%	Tasmania

No new tenements were acquired during the quarter

CORPORATE

LME Tin Price

The LME tin price at the time of writing was US\$19,415/t. Information supplied by the International Tin Association suggests the 2.5% drop in the tin price over the reporting period is due primarily to recent macro-economic and political developments (escalating trade tensions between the US and China) and to a lesser extent robust Indonesian tin exports.

Capital Raising

The Company announced a \$1.2million capital raising to support the completion of the Oropesa transaction and general working capital purposes. The capital raising is due to complete in two tranches, with \$900,000 on or about 26 October 2018 and \$300,000 on or about 9 November 2018

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CAUTIONARY STATEMENTS

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Elementos undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

Mineral Resources and Ore Reserves

Elementos confirms that Mineral Resource and Ore Reserve estimates used in this document were estimated, reported and reviewed in accordance with the guidelines of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 edition.

Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. Economic, environmental, permitting, legal, title taxation, socio-political, marketing or other relevant issues may materially affect the estimate of Mineral Resources.

Elementos confirms that it is not aware of any new information or data that materially affects the Mineral Resource or Ore Reserve information included in the following announcements:

- *1 - "Cleveland Tailings Ore Reserve" released on the 3 August 2015;
- *2 - "Cleveland JORC Resource Significantly Expanded" announced to the ASX on 5 March 2014 (tungsten resource)

The Company also confirms that all material assumptions and technical parameters underpinning the estimates in the Cleveland Mineral Resources (tungsten) and Reserves continue to apply and have not materially changed.

COMPETENT PERSONS STATEMENT - Oropesa

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Robert Goddard, who is a full time employee of SRK Consulting (UK) Ltd. Mr Goddard has been engaged by Minas De Estano De Espana, SLU as an Independent Consultant to prepare a Mineral Resource estimate and supporting documentation for the Oropesa Tin Project. Mr Goddard is a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and who consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Robert Goddard has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

COMPETENT PERSONS STATEMENT - Cleveland

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Chris Grove, who is a full-time employee of Measured Group Consulting. Mr Grove has been engaged by Elementos as an Independent Consultant to prepare a Mineral Resource estimate and supporting documentation for the Cleveland Tin-Copper Project.

Chris Grove has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the 2010 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Grove is a Member of the Australasian Institute of Mining and Metallurgy. Chris Grove consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.