ELEMENTOS LIMITED

ABN 49 138 468 756

CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2018

Contents

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 - "Acquisition of the Oropesa Tin Project" released on the 31st July 2018;
> *2 – "Substantial Increase in Cleveland Open Pit Project Resources following revised JORC study" released 26th September 2018

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.

Corporate Information

Directors and Company Secretary
Mr Andy Greig (Non-executive Chairman)
Mr Christopher Dunks (Executive Director)
Mr Corey Nolan (Non-executive Director)
Mr Calvin Treacy (Non-executive Director)
Mr Duncan Cornish (Company Secretary)

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Stock Exchange Listing
Australian Securities Exchange Ltd
ASX Code: ELT

Australian Business Number
49 138 468 756

Directors' Report

Your directors submit the financial report on Elementos Limited (the "Company") and its controlled entities (the "consolidated entity") for the half-year ended 31 December 2018.

Directors

The following persons were directors of the Company during or since the end of the financial period:
- Andy Greig
- Christopher Dunks
- Corey Nolan
- Calvin Treacy

Review of Operations

The Group's operating loss for the half-year, after applicable income tax was $979,573. Exploration and evaluation expenditure during the period totalled $167,200.

At 31 December 2018, the Group's net assets totalled $6,628,031, which included cash assets of $1,263,762.

During the period, the Company's principal activity was the Oropesa Tin Project acquisition, progressing the Cleveland Tin Project towards a new development proposal and advancement of the acquisition of the Temengor Tin exploration project in Malaysia.

Acquisition of Oropesa Tin Project - Spain

As announced by Elementos on 31 July 2018, the acquisition by Elementos of the Oropesa Tin Project in Spain was to take place by way of a plan of arrangement under Canadian laws which provides for Eurotin Inc.(TSX-V: TIN) (Eurotin) to transfer to Elementos 100% of the shares currently on issue in Minas De Estaño De España S.L.U.(MESPA), a wholly owned subsidiary of Eurotin and the holder of Oropesa.

On 9 November 2018, the Company announced satisfactory completion of its due diligence on the Oropesa Tin Project and entered into an Arrangement Agreement with Eurotin to acquire Oropesa from Eurotin Inc.

Subsequent to the end of the reporting period, due to a delay caused by the Christmas period, it was announced on 4 January 2019 that Interim Completion of the Arrangement Agreement for the acquisition of the Oropesa Tin Project from Eurotin had now occurred.

On Interim Completion the Company issued to Eurotin 1,000,000,000 convertible redeemable preference shares (CRPS).

The next step of the acquisition is the transfer to Elementos of all shares in MESPA. The change in control that will result from the transfer of MESPA shares to Elementos requires the prior approval from the relevant Spanish Regional Mining Authority.

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 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 Andalucia 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.

The Company has been actively engaged with the development of the Oropesa Tin Project during the half year, having commenced a series of preliminary studies to improve the overall performance of the proposed metallurgical process flowsheet. These studies are focusing on pre-concentration of the ore and are being carried out by TOMRA Sorting Solutions in Hamburg, Germany.

Oropesa Global Mineral Resources Estimate (0.15% Sn cut-off grade)			
Category	**Tonnes**	**Grades % Sn**	**Contained Tin**
Measured	330,000	1.09	3,585
Indicated	9,010,000	0.53	47,320
Total M & I	9,340,000	0.55	50,905
Inferred	3,200,000	0.52	16,615

**1 - 2018 JORC Resource Estimate for the Oropesa Tin Project*

Cleveland Project - Tasmania

During the period the Company announced a significant increase in the Cleveland open pit Mineral Resource. The Mineral Resource upgrade resulted from modelling near surface ore lenses that were not included in previous open pit Mineral Resource estimates, and increased Mineral Resources resulting from the diamond drilling programme completed in 2018 at Cleveland. 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

**2 - 2018 JORC Mineral Resource Estimate for the Cleveland Tin – Copper (Tungsten) Project*

Temengor Project - Malaysia

Elementos has extended a non-binding Memorandum of Understanding ("MOU") agreement with Empire Tin Mining Sdn Bhd for a Farm-in and Joint Venture Agreement on the Temengor Tin Project in Peninsular Malaysia. The term of the MOU has been extended until 20 March 2019 to accommodate numerous changes in regulatory authorities and procedures resulting from the general election in Malaysia in 2018.

Capital Raisings

On 31 July 2018, the Company announced that it had received commitments to complete a private placement of 199,999,999 shares to be issued at 0.60 cents per share to raise a total of $1,200,000 (before costs) (**Placement**). The Placement completed in two traches as follows:

- On 26 October 2018 149,999,999 shares issued raising $900,000, and
- On 14 November 2018 50,000,000 shares issued raising $300,000.

As part of the Placement, the Company announced that it had engaged Lions Bay Capital to arrange the placement and provide corporate advisory services in relation to the acquisition of the Oropesa project. As consideration Lions Bay Capital were issued 100,000,000 share options with an exercise price of 0.70 cents per share expiring 30 June 2020.

During July 2018 as part of the 2017 Placement and Rights Issue 5,318,052 unlisted options, exercisable at 0.60 cents per option were exercised in to 5,318,052 shares, raising $31,908.

Subsequent Events

The following significant events occurred subsequent to the reporting date:

- As announced on 4 January 2019, following receipt of all necessary shareholder approvals by Eurotin and Elementos and the satisfaction of all other conditions precedent, interim completion of the Oropesa Tin Project acquisition completed. At interim completion the Company issued Eurotin 1,000,000,000 Convertible Redeemable Preference Shares which were immediately distributed to Eurotin shareholders.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included in this financial report.

Signed in accordance with a resolution of the Board of Directors.

Corey Nolan
Director
12 March 2019, Brisbane

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF ELEMENTOS LIMITED

As lead auditor for the review of Elementos Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elementos Limited and the entities it controlled during the period.

D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 12 March 2019

Consolidated Statement of Comprehensive Income for the Half-Year Ended 31 December 2018

	Note	31 Dec 2018 $	31 Dec 2017 $
Other income	2	4,871	5,820
Less expenses:			
Corporate and administrative expenses	2	(984,444)	(447,143)
Loss before income tax expense		(979,573)	(441,323)
Income tax expense		-	-
Loss for the period attributable to members of the parent entity		(979,573)	(441,323)
Other comprehensive income			
Items that will be reclassified to profit or loss			
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		**(979,573)**	**(441,323)**
Basic earnings per share (cents per share)		(0.07)	(0.04)
Diluted earnings per share (cents per share)		(0.07)	(0.04)

The accompanying notes form part of this financial statement.

Consolidated Statement of Financial Position as at 31 December 2018

	Note	31 Dec 2018 $	30 June 2018 $
CURRENT ASSETS			
Cash and cash equivalents		1,263,762	936,562
Trade and other receivables		5,812	5,834
Total Current Assets		1,269,574	942,396
NON-CURRENT ASSETS			
Exploration and evaluation assets	3	5,494,136	5,326,936
Plant and equipment		26,327	31,426
Other Non-Current assets		7,000	7,000
Total Non-Current Assets		5,527,463	5,365,362
TOTAL ASSETS		6,797,037	6,307,758
CURRENT LIABILITIES			
Trade and other payables	4	138,976	62,330
Borrowings		5,360	5,182
Total Current Liabilities		144,336	67,512
NON-CURRENT LIABILITIES			
Borrowings		24,670	27,401
Total Non-Current Liabilities		24,670	27,401
TOTAL LIABILITIES		169,006	94,913
NET ASSETS		**6,628,031**	**6,212,845**
EQUITY			
Issued capital	9	16,613,534	15,578,119
Reserves		479,193	119,849
Accumulated losses		(10,464,696)	(9,485,123)
TOTAL EQUITY		**6,628,031**	**6,212,845**

The accompanying notes form part of this financial statement.

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2018

	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Total
	$	$	$	$
Balance at 1 July 2017	13,391,701	(8,729,360)	133,200	4,795,541
Loss for the period	-	(441,323)	-	(441,323)
Total comprehensive income	-	(441,323)	-	(441,323)
Equity issued during the period				
- Due to capital raising	1,423,948	-	-	1,423,948
- Following option exercises	518,512			518,512
Share issue transaction costs	(90,354)	-	-	(90,354)
Balance at 31 December 2017	**15,243,807**	**(9,170,683)**	**133,200**	**6,206,324**
Balance at 1 July 2018	15,578,119	(9,485,123)	119,849	6,212,845
Loss for the period	-	(979,573)	-	(979,573)
Total comprehensive income	-	(979,573)	-	(979,573)
Equity issued during the period				
- Due to capital raising	1,200,000	-	-	1,200,000
- Following option exercises	31,908	-	-	31,908
Share issue transaction costs	(196,493)	-	110,000	(86,493)
Issue share options	-	-	220,000	220,000
Issue performance rights	-	-	29,344	29,344
Balance at 31 December 2018	**16,613,534**	**(10,464,696)**	**479,193**	**6,628,031**

The accompanying notes form part of this financial statement.

Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2018

	31 Dec 2018 $	31 Dec 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(703,304)	(518,906)
Interest received	4,871	5,820
GST refunds	51,873	77,481
Net cash used in operating activities	(646,560)	(435,605)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(163,752)	(435,380)
Cash used in investing activities	(163,752)	(435,380)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,227,255	1,404,646
Costs associated with share issue	(89,743)	(126,355)
Repayment of loan	-	(4,989)
Net cash provided by/(used in) financing activities	1,137,512	1,273,302
Net increase/(decrease) in cash held	327,200	402,317
Cash at beginning of period	936,562	655,868
Cash at end of period	**1,263,762**	**1,058,185**

The accompanying notes form part of this financial statement.

Notes to the Financial Statements for the Half -Year Ended 31 December 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting". The historical cost basis has been used.

This interim financial report does not include all notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report of Elementos Limited (the "Company") and its controlled entities (together the "Group") as at 30 June 2018, together with public announcements made by the Company during the interim reporting period in accordance with its continuous disclosure obligations.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2018 Annual Report, expect as noted below.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies as a result of adopting the following standards:

- AASB 9 Financial Instruments; and
- AASB 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards and the new accounting policies are disclosed below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

AASB 15 Revenue from Contracts with Customers – Impact of adoption

The group has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018. In accordance with the transition provisions in AASB 15, the group has adopted the new rules retrospectively however there was no material impact on the amounts disclosed previously and as a result there has been no restatement required as a result of reclassification or remeasurement and no change to the previously disclosed accounting policies.

AASB 9 Financial Instruments – Impact of adoption

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in changes in accounting policies. In accordance with the transitional provisions in AASB 9(7.2.15) and (7.2.26), comparative figures have not been restated.

(i) Classification and Measurement

On 1 July 2018 (the date of initial application of AASB 9), the Group's management has assessed which business models apply to the financial assets held by the group and has classified its financial instruments into the appropriate AASB 9 categories. There were no changes to the classification and measurement of financial assets.

Notes to the Financial Statements
for the Half -Year Ended 31 December 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Impairment of financial assets

The Group has one type of financial asset that is subject to AASB 9's new expected credit loss model, being trade and other receivables.

The group was required to revise its impairment methodology under AASB. There was no material impact of the change in impairment methodology on the group's retained earnings and equity.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no material impairment loss identified.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on the ability of the Group to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development. The Group has not generated any revenues from operations. During the half-year ended 31 December 2018, the Group raised $1,227,255 of cash through equity raisings and option exercises (before costs).

Should the Group not be able to raise further capital, dispose of assets if required or manage its expenditure so as to conserve cash over the coming 12 months, there exists a material uncertainty regarding the Group's ability to continue as a going concern and realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities which might be necessary should the Group not be able to continue as a going concern.

NOTE 2: RESULTS FOR THE PERIOD

	31 Dec 2018 $	31 Dec 2017 $
The following income and expense items are relevant in explaining the financial performance for the interim period:		
Interest received	4,871	5,820
Depreciation	(5,098)	(6,085)
ASX, ASIC, share registry expenses	(41,539)	(52,871)
Business development and investor relations costs	(75,343)	(120,325)
Legal fees	(203,238)	(2,801)
Insurances	(34,782)	(30,682)
Audit and external accounting/advice fees	(51,285)	(50,738)
Share based payments – corporate adviser	(220,000)	-
Employee benefits expense comprises:		
Salaries and wages	(96,415)	(58,594)
Consulting fees	(161,198)	(91,698)
Contributions to defined contribution plans	(16,289)	(13,862)
Equity settled performance rights	(29,344)	-
Annual leave expensed	3,848	6,156

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2018 $	30 June 2018 $
Exploration and evaluation expenditure carried forward in respect of the areas of interest are:		
Exploration and evaluation expenditure	5,494,136	5,326,936
Movement in exploration and evaluation assets:		
Opening balance – at cost (1 July)	5,326,936	4,745,500
Capitalised exploration expenditure	167,200	726,077
Exploration and evaluation assets disposed of	-	-
Exploration and evaluation assets written off	-	-
Total exploration and evaluation expenditure	5,494,136	5,471,577
Less research and development refunds received	-	(144,641)
Carrying amount at the end of period	5,494,136	5,326,936

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively through the sale of the areas of interest.

NOTE 4: TRADE AND OTHER PAYABLES

	31 Dec 2018 $	30 June 2018 $
Current:		
Trade payables and accrued expenses	133,599	53,105
Employee provisions	5,377	9,225
Total payables (unsecured)	138,976	62,330

NOTE 5: COMMITMENTS

Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The following commitments exist at reporting date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished the expenditure commitment also ceases. The Group has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

	31 Dec 2018 $	30 June 2018 $
Not later than 1 year	1,000,000	1,000,000
Later than 1 year but not later than 5 years	-	-
Total commitment	1,000,000	1,000,000

NOTE 6: CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

The following significant events occurred subsequent to the reporting date:

- As announced on 4 January 2019, following receipt of all necessary shareholder approvals by Eurotin and Elementos and the satisfaction of all other conditions precedent, interim completion of the Oropesa Tin Project acquisition completed. At interim completion the Company issued Eurotin 1,000,000,000 Convertible Redeemable Preference Shares which were immediately distributed to Eurotin shareholders.

NOTE 8: SEGMENT REPORTING

Description of Segments

Operating segments have been determined on the basis of reports reviewed by the board of directors and the Chief Executive Office (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the board of directors which is at the consolidated entity level. The Group does not have any products or services that it derives revenue from. The Group's exploration and development activities in Australia is the Group’s sole focus, primarily focused around tin and copper.

Accordingly, management currently identifies the Group as having only one reportable segment, being the exploration of mineral assets in Australia. There have been no changes in the operating segments during the half-year. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. As detailed in the Review of Operations and Note 7 the Company is in the process of acquiring the Oropesa Tin Project based in Spain, following completion of the acquisition the Board of Directors and Chief Executive Officer will review the operating segments moving forward.

NOTE 9: ISSUED CAPITAL

	31 Dec 2018 $	30 June 2018 $
(a) Issued and paid up capital		
Ordinary shares fully paid	16,810,027	15,687,992
Share issue costs	(196,493)	(109,873)
	16,613,534	15,578,119

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

	31 Dec 2018		30 Jun 2018	
	Number of shares	$	Number of shares	$
(b) Reconciliation of issued and paid-up capital				
Opening balance as at 1 July	1,332,012,910	15,578,119	949,297,823	13,391,701
Shares issued (1)	-	-	153,985,709	923,914
Shares issued (2)	-	-	83,338,933	500,034
Shares issued (3)	-	-	45,371,137	272,227
Shares issued (4)	-	-	100,019,308	600,116
Shares issued (5)	5,318,052	31,908	-	-
Shares issued (6)	199,999,999	1,200,000	-	-
Share issue costs (7)	-	(196,493)	-	(109,873)
Closing Balance	1,537,330,961	16,613,534	1,332,012,910	15,578,119

Notes for the above table, relating to the year ended 30 June 2018, are:

(1) Issued at 0.60 cents each on 9 August 2017, pursuant to a rights issue
(2) Issued at 0.60 cents each on 21 August 2017, pursuant to a rights issue
(3) Issued at 0.60 cents each on 21 August 2017, upon the exercise of options
(4) Between 30 August 2017 and 27 June 2018, issued at 0.60 cents each upon the exercise of options

Notes for the above table, relating to the half year ended 31 December 2018, are:

(5) Issued at 0.60 cents each on 4 July 2018, upon the exercise of options
(6) On 31 July 2018, the Company announced that it had received commitments to complete a private placement of 199,999,999 shares to be issued at 0.60 cents per share to raise a total of $1,200,000 (before costs). The transaction completed in two tranches as follows:
    - On 26 October 2018 149,999,999 shares issued at 0.60 cents per share
    - On 14 November 2018 50,000,000 shares issued at 0.60 cents per share

(7) Of this amount $110,000 relates to the issue of options to Lion Bay Capital, further details included in Note 9 (d) below.

	31 Dec 2018 No. of Options	30 June 2018 No. of Options
(c) Incentive Options		
Unlisted Share Options	11,000,000	11,000,000
Balance at the beginning of the reporting period	11,000,000	20,300,000
Options issued during the period	-	-
Exercised during the period	-	-
Expired during the period	(1,000,000)	(9,300,000)
Balance at the end of the reporting period	10,000,000	11,000,000

	31 Dec 2018 No. of Options	30 June 2018 No. of Options
(d) Other Options		
Unlisted Share Options	100,000,000	5,318,052
Balance at the beginning of the reporting period	5,318,052	-
Options issued during the period (1)	100,000,000	337,324,642
Exercised during the period	(5,318,052)	(145,390,445)
Expired during the period	-	(186,616,145)
Balance at the end of the reporting period	100,000,000	5,318,052

(1) As part of the Capital Raising and Oropesa acquisition activities announced on 31 July 2018 the Company announced that it had engaged Lions Bay Capital to arrange the placement and provide corporate advisory services in relation to the acquisition of the Oropesa project. As consideration Lions Bay Capital were issued 100,000,000 share options with an exercise price of 0.70 cents per share expiring 30 June 2020.

NOTE 10: LOSS PER SHARE

	31 Dec 2018 $	31 Dec 2017 $
Net loss used in the calculation of basic and diluted LPS	(979,573)	(441,323)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic LPS	1,404,212,732	1,173,450,931

Options are considered potential ordinary shares. Options issued are not presently dilutive and were not included in the determination of diluted loss per share for the period. Shares and options issued subsequent to 31 December 2018 are also not dilutive.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Corey Nolan
Director

12 March 2019
Brisbane

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Elementos Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Elementos Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

BDO

D P Wright

Director

Brisbane, 12 March 2019