

ELEMENTOS

TOMORROW'S TIN

ASX ANNOUNCEMENT

22 July 2020

Re-released with additional statement in compliance with ASX Listing Rule 5.19

Elementos opts to retain 100% of Oropesa Tin Project ahead of drilling and optimisation plan.

Elementos Limited (ASX: ELT) will retain 100% ownership of its projects including the company's flagship Oropesa Tin Project in Spain following its decision to withdraw from a proposed 1% Gross Revenue Royalty (GRR) deal with Canada's Electric Royalties for C\$500,000 cash and 1.5 million common shares.

Any decision to enter into a royalty structure will now be delayed until a Definitive Feasibility Study at Oropesa is completed, a move Elementos Chairman Andy Greig described as "financially prudent".

"We are confident that our proposed drilling and optimisation plan at Oropesa, which is designed to increase the project's overall resource, annual production and mine life, will unlock significant value in the project," Mr Greig said.

"Retaining full ownership of Oropesa at this time ascribes maximum value to shareholders given the strengthening opportunity to create value-uplift as the project is advanced towards full feasibility and development.

"Elementos is currently pursuing new financing plans and has received interest from a number of parties interested in funding Oropesa's progression along the value chain," he said.

A recently completed Economic Study has demonstrated Oropesa's attractive economics as a globally significant new tin development with a prospective annual production of 2,440 tonnes over a 14-year mine life.

At a tin price of US\$19,750/tonne, the mine could potentially generate an annual gross revenue of more than US\$48 million against a forecast operating cost of US\$28 million per year or cash cost of US\$11,800/tonne of metal. The estimated capital development cost is US\$52.2m including a 20% contingency.

Elementos' Board has authorised the release of this announcement to the market.

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ABOUT ELEMENTOS

Listed on the ASX in 2009, Elementos is committed to the safe and environmentally-conscious exploration and production of high-grade tin resources.

Led by an experience-heavy management team and Board, Elementos is positioned as a diversified tin platform, with an ability to develop exciting projects in multiple countries.

As tin stocks hover at historic lows, the company is well-positioned to help bridge the significant supply shortfall in coming years. This shortfall is being partly driven by increasing global interest in renewable energy and electric vehicles. In 2018, Rio Tinto, through research by Boston's Massachusetts Institute of Technology (MIT), announced tin was predicted to be the metal most impacted by the transition to the new energy economy for its use in electric vehicles, robotics, renewable energy storage and advanced computation .

References to Previous Release

The information in this report that relates to production targets and forecast financial information derived from a production target was last reported in the following market release "Oropesa Economic Study" dated 7th May 2020.

The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement referred to above and further confirms that all material assumptions underpinning the production targets and all material assumptions and technical parameters underpinning the Ore Reserve and Mineral Resource statements contained in the market release continue to apply and have not materially changed.