

ELEMENTOS

TOMORROW'S TIN

QUARTERLY REPORT

For the period ended 31 March 2021



Elementos is a resources development company focused on the exploration, development and production of high-grade tin projects in stable jurisdictions with a long history of mining.

The Company's portfolio comprises both near-term development and exploration assets, including:

- **Oropesa Project, Spain** – one of the world's largest undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. Oropesa is an advanced tin project with near term development and cash flow potential.
- **Cleveland Project, Tasmania** – a significant resource of tin-copper amenable to both open cut and underground mining techniques, located in a world-class mining district with excellent infrastructure.

HIGHLIGHTS

- Consistent tin price gains over the last 12 months reach ten-year highs, currently over US\$27,000/t (www.LME.com 19 April 2021).
- Tight global refined tin supply struggling to match increasing demand.
- 5,000m resource definition diamond drilling programme >50% complete.
- High grade tin mineralisation intersected in the Oropesa diamond drilling programme, confirming mineralisation continuity.
- Revised Oropesa environmental permitting studies nearing completion.
- Exploration re-commences on the Cleveland Tin Project in Tasmania.

OROPESA PROJECT

Located in southern Spain, the Oropesa Tin Project is one of the world's largest undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. It will likely be our first mining operation.



Figure 1. Oropesa Tin Project - Location Plan

The Company is continuing a diamond drilling exploration program at Oropesa that commenced during the previous quarter. The program's principal objectives are:

1. To increase confidence of previously reported Inferred Resources, to an Indicated Resources classification.
2. Confirmation of near surface, possibly fault controlled mineralisation that is currently not included in the 2017 Mineral Resource Estimate (MRE).
3. Testing for additional near surface mineralisation from exploration targets (outside 2017 MRE) identified from historic Induced Polarisation (IP) geophysical survey anomalies.
4. Reporting of a new Mineral Resource Estimate which is planned to form the basis of a wider mine planning and optimization program which will aim to optimise the project's annual production rate, mine life and reduce the overall waste-to-ore stripping ratio. ^{*4}.

The program has 48 diamond drill holes planned for a total of approximately 5,000m. At the time of reporting 31 drill holes had been completed (including two completed after the period) for a total of 3,710m, with assays received for 19 of the completed drill holes.

Significant assays previously reported from the drilling programme include;

ADD_01A:- 10.5m @ 0.27% Sn from 94.9m
 2.3m @ 0.63% Sn from 122.0m
 9.9m @ 0.69% Sn from 200.5 m, including
 0.6m @ 4.36% Sn from 209.8m
 Expn_020:- 3.9m @ 0.63% Sn from 36.5m
 Expn_010:- 12.3m @ 0.53% Sn from 37.7m
 10.6m @ 0.38% Sn from 83.2m
 17.9m @ 0.22% Sn from 106.9m
 13.3m @ 0.26% Sn from 183.2m
 6.3m @ 0.34% Sn from 199.1m
 Expn_013:- 10.4m @ 0.37% Sn from 65.1m
 Expn_019:- 31.1m @ 1.49% Sn from 113.3m, including
 6.1m @ 4.85% Sn from 133.6m, which
 includes 1m @ 12.9% Sn from 133.6m and
 1.4m @ 8.02% Sn from 135.8m
 Expn_022:- 41.9m @ 0.20% Sn from 132.9m
 Expn_040:- 9.6m @ 0.20% Sn from 48.2m
 Expn_041:- 2.2m @ 0.40% Sn from 48.9m
 Expn_043:- 4.8m @ 0.30% Sn from 22.0m
 Expn_044:- 14.5m @ 0.38% Sn from 43.0m
 Expn_047A:- 7.1m @ 0.33% Sn from 10.3m
 P53:- 1.2m @ 0.24% Sn from 188.9m

The Company's drilling program follows the release of the company's Oropesa Economic Study in May 2020, which positioned the project as a low cost, globally significant new tin development with a prospective annual production of 2,440 tonnes of tin-in-concentrate over a 14-year mine life ^{*3}. The Economic Study was completed with a tin price of USD\$19,750 per tonne. The LME tin price is currently over US\$27,500 per tonne (www.LME.com 19 April 2021).

Description	Results
Average annual ore feed	750,000 tonnes
Average annual tin metal production	2,440 tonnes
Life-of-mine	14Years
Average tin price	US\$19,750t real
Pre-production capital expenditure	US\$52.2
Total life-of-mine revenue	US\$675
Total life-of-mine EBITDA	US\$281
All-in-sustaining cash costs	US\$11,790t metal
Net Present value (8%, pre-tax, real)	US\$92 million
Internal Rate of Return (pre-tax, real)	25%
Net Present value (8%, after-tax, real)	US\$66 million
Internal Rate of Return (after-tax, real)	22%
Project capital pay-back period (pre-tax from mine start)	4 Years

Table 1. Summary of financial and technical information (forecast numbers are approximate)

Readily executable, the development concept proposes a simple open-cut mining operation and conventional processing facility producing tin concentrates which would be shipped to smelters in Europe and Asia.

The Study valuation also found a base case pre-tax NPV8% of approximately US\$92m and post tax NPV8% of approximately US\$66m. The pre-tax Internal Rate of Return is approximately 25% and the payback period is approximately four years. Recent tin price increases have substantially re-rated these indices.

The Study incorporated additional work completed at Oropesa since the Initial Preliminary Economic Assessment was released in 2014. Additional work included a pilot plant metallurgical test program, ore pre-concentration testing, exploration drilling and development of an updated geological resource model, hydrogeological and geotechnical studies and advanced environmental impact assessment studies.

In addition to the diamond drilling program Elementos has commenced additional studies aimed at optimising the proposed operation and preparing for a Feasibility Study. The Company is confident that optimisation works will present an opportunity to extract considerably more value from the project and minimise risks. These additional studies include;

1. Advancing the resubmission the of the project's Environmental Authority Application. This involves the final completion of a number of studies, resubmission to the relevant government authority, and associated statutory obligations, and
2. Progressing the engineering studies for the process plant and site infrastructure, including tailings dam design.

The Company has engaged an experienced Spanish project management team, Soluciones, Concentradores Y Procesos de Ingeniería, S.L., to oversee all the Company's activities at Oropesa.

Hole ID	Easting ED50 Zone 30	Northing ED50 Zone 30	RL	Easting_ETRS89 Zone 30	Northing_ETRS89 Zone 30	Azimuth (grid)	Dip	Total Depth (m)	Longitude	Latitude
P53	282387.4	4244377.5	652.7	282276.9	4244171.8	235	-50	250.0	-5.4905	38.3192
Expn_017	282842.4	4243974.6	640.8	282731.9	4243768.9	194	-60	100.0	-5.4852	38.3157
Expn_012	282878.9	4243934.6	633.8	282768.3	4243728.9	195	-60	100.0	-5.4847	38.3154
Expn_064	282851.8	4243919.6	631.9	282741.2	4243713.9	193	-56	55.1	-5.4850	38.3152
Expn_020	282906.3	4243901.2	629.5	282795.8	4243695.5	194	-60	77.6	-5.4844	38.3151
Expn_011	283426.7	4243714.0	624.7	283316.1	4243508.3	202	-46	103.8	-5.4784	38.3135
Expn_021A	283364.4	4243712.1	622.9	283253.9	4243506.4	200	-55	53.0	-5.4791	38.3135
Expn_021B	283360.6	4243701.7	622.1	283250.1	4243496.0	20	-55	120.0	-5.4792	38.3134
Expn_010	283751.6	4243522.0	607.9	283641.0	4243316.3	205	-48	220.9	-5.4746	38.3119
Expn_040	283391.1	4243784.9	626.7	283280.6	4243579.2	199	-59	71.5	-5.4788	38.3142
Expn_041	283397.2	4243800.8	628.0	283286.6	4243595.1	199	-67	60.1	-5.4788	38.3143
Expn_043	283438.1	4243777.7	627.2	283327.6	4243572.0	199	-64	41.4	-5.4783	38.3141
Expn_044	283444.9	4243796.9	628.4	283334.4	4243591.2	199	-62	60.0	-5.4782	38.3143
Expn_047A	283367.5	4243737.7	623.9	283257.0	4243532.0	200	-47	62.3	-5.4791	38.3137
Expn_022	283635.9	4243411.7	605.4	283525.3	4243206.0	23	-53	210.0	-5.4759	38.3109
Expn_018	283040.1	4243952.2	635.5	282929.5	4243746.5	194	-60	109.6	-5.4829	38.3156
ADD_01A	283105.0	4243933.0	632.3	282994.5	4243727.3	200	-60	219.7	-5.4822	38.3154
Expn_013	282936.1	4243940.7	634.8	282825.6	4243735.0	194	-57	110.0	-5.4841	38.3154
Expn_019	283042.3	4244003.7	643.4	282931.8	4243798.0	194	-60	150.5	-5.4829	38.3160
Expn_020A	282904.0	4243910.0	630.7	282793.5	4243704.3	194	-60	48.4	-5.4844	38.3152
Expn_059	283479.5	4243679.1	621.9	283369.0	4243473.4	200	-56	139.2	-5.4778	38.3132
ADD_02	283427.0	4243604.0	615.9	283316.5	4243398.3	23	-45	71.9	-5.4784	38.3125
ADD_03	283457.0	4243576.0	614.1	283346.5	4243370.3	23	-45	96.5	-5.4780	38.3123
Expn_016	283351.2	4243650.2	618.3	283240.6	4243444.5	21	-49	156.2	-5.4793	38.3129
P42	284356.4	4243354.5	594.7	284245.9	4243148.8	205	-60	200.2	-5.4677	38.3105
P44	284200.4	4243079.5	607.4	284089.9	4242873.8	205	-60	250.0	-5.4694	38.3080
Expn_060	283500.1	4243643.6	618.6	283389.5	4243437.9	204	-52	124.4	-5.4775	38.3129
Expn_052A	283534.0	4243659.0	619.5	283423.5	4243453.3	204	-55	139.2	-5.4772	38.3131
Expn_057	283555.2	4243600.7	614.9	283444.7	4243395.0	203	-49	60.7	-5.4769	38.3125
Expn_010A	283742.5	4243526.7	607.9	283632.0	4243321.0	196	-55	116.5	-5.4747	38.3119
Expn_015A	283729.5	4243464.1	606.2	283618.9	4243258.4	204	-52	131.7	-5.4749	38.3113

Table 2. Oropesa diamond drill hole collar data – current announcement

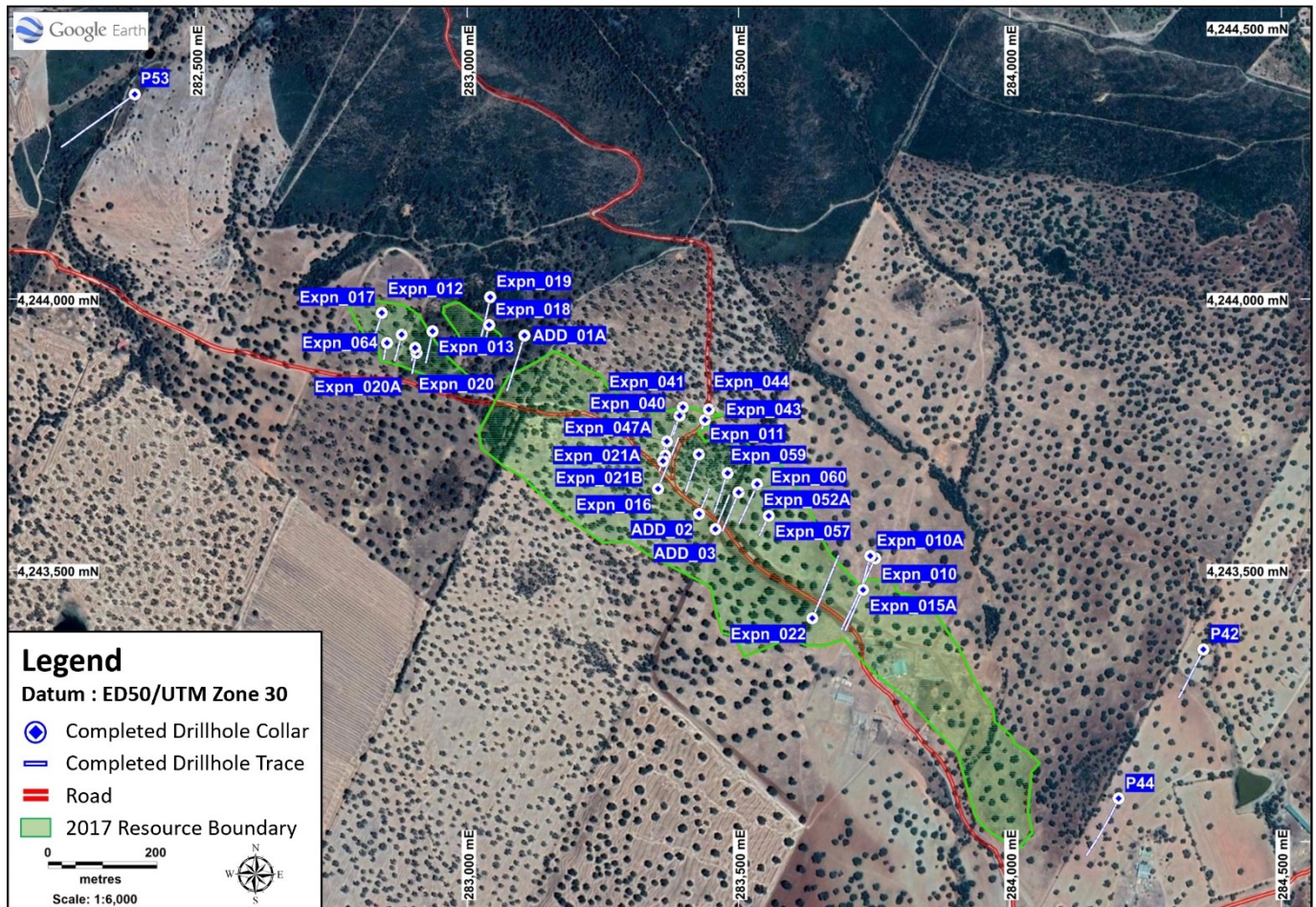


Figure 2. Location Plan for Diamond Drill Holes Completed at 19 April 2020 – Oropesa Tin Project, Spain

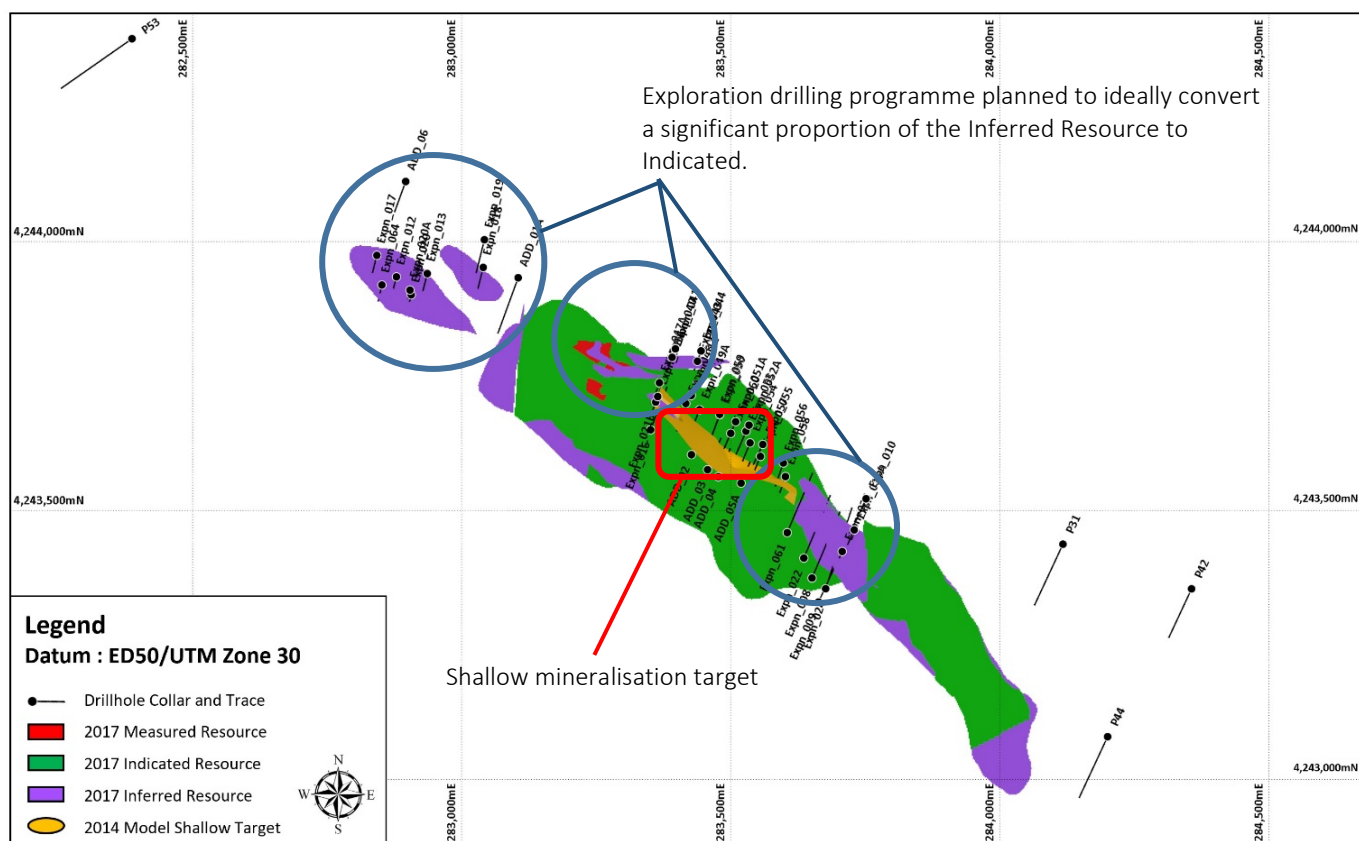


Figure 3. Plan of Oropesa geological resource depicting the location of completed diamond drill holes and proposed diamond drill hole for the current drilling campaign.

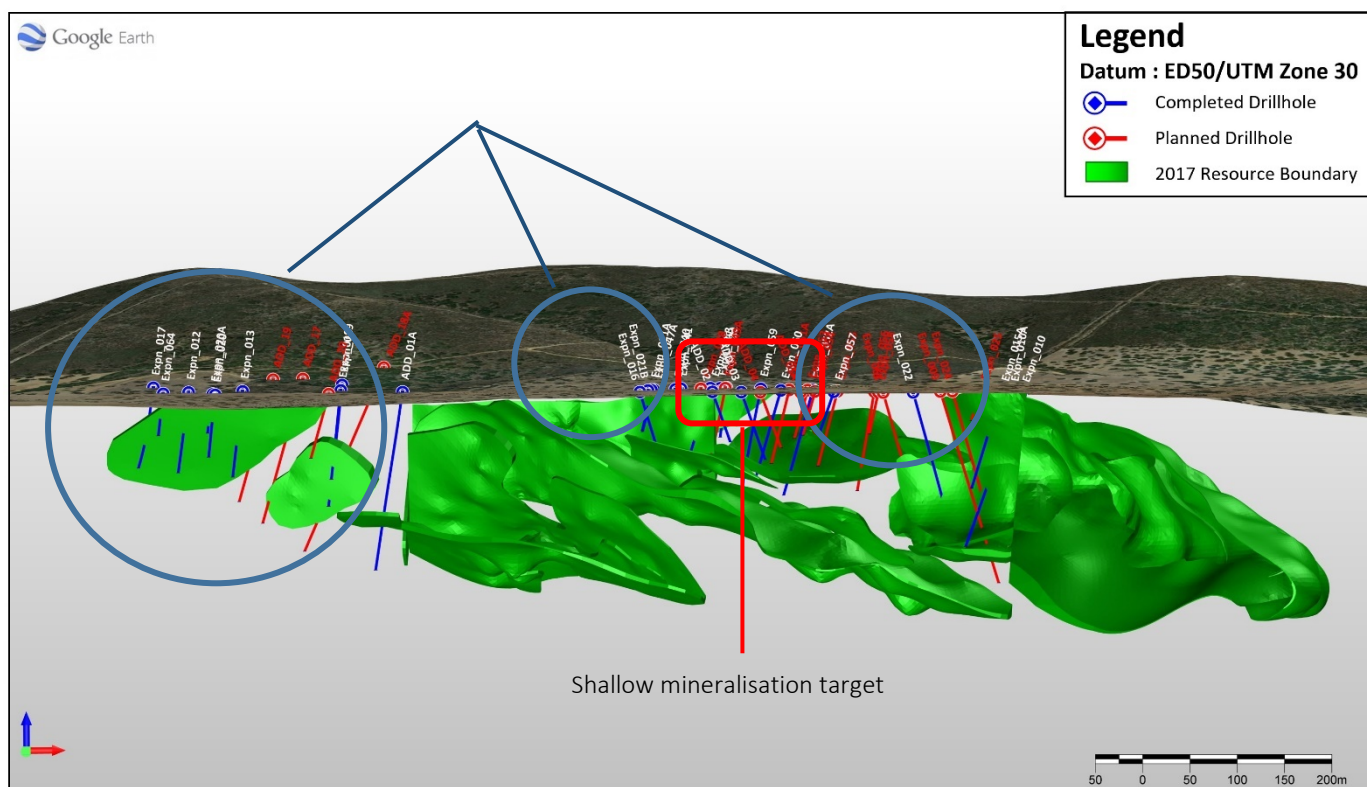


Figure 4. 3D view of the Oropesa geological resource looking north. Completed and planned diamond drilling shown.

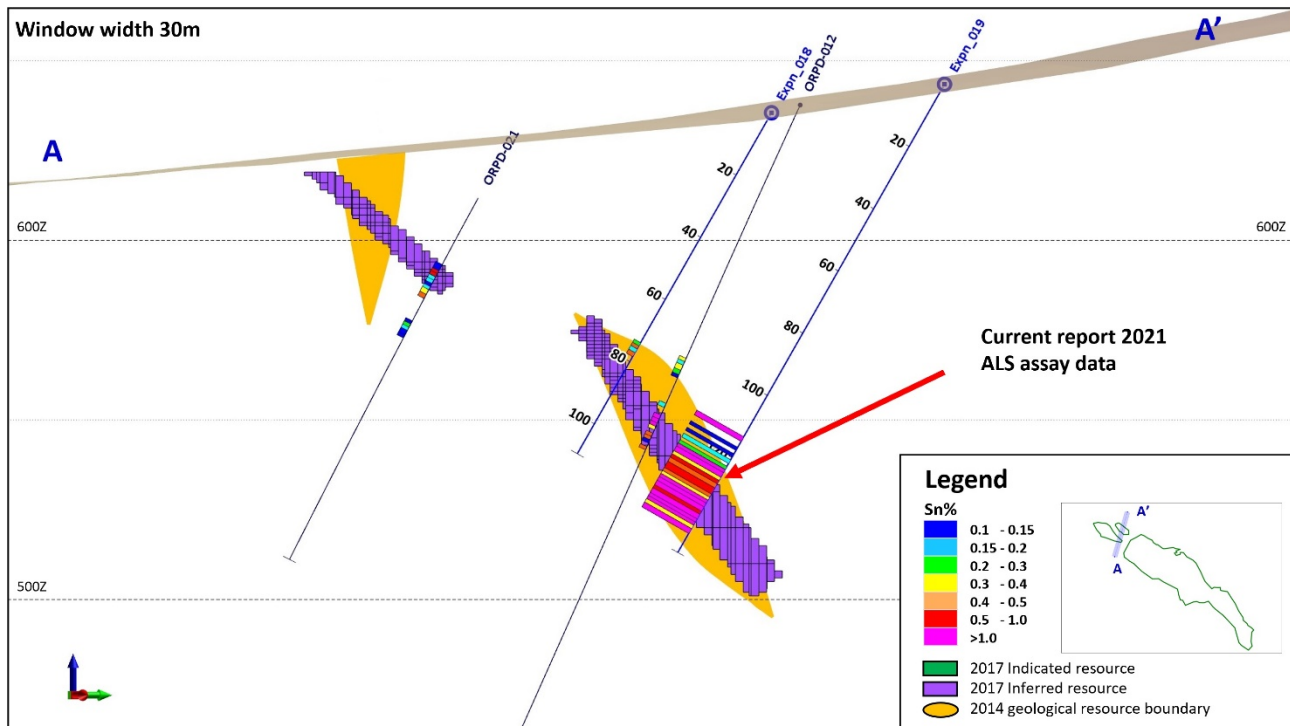


Figure 5. Oropesa 2021 resource conversion infill diamond drilling, Expn_019

CLEVELAND PROJECT

The Cleveland Tin Project is located 80km southwest of Burnie in the mineral-rich northwest region of Tasmania, Australia. It is a historic underground mine site boasting excellent power, water and transport infrastructure.

Exploration activities have re-commenced following an easing of Interstate travel restrictions due to the COVID – 19 pandemic.

A prospective target approximately 500m in length to the immediate northeast and along strike of the existing geological resource has been identified as been highly prospective for the potential to contain additional tin and copper resources. The region contains a set of historic Self-Potential (SP) geophysical anomalies from a survey carried out by the Bureau of Mineral Resources (Geoscience Australia) in 1954, which have not historically been investigated in any known detail.

Reconnaissance mapping of the prospective region has confirmed the presence of the geological mine sequence (Halls Formation and adjacent Crescent Spur Sandstone) with rock chip samples containing visible sulphide mineralisation at four of the five locations investigated, the most significant assay being 0.7% Sn, 0.57% Cu, & 13.4% Zn from sample 130403 (Figure).

A proposal to drill test the SP anomalies will be submitted to Mineral Resources Tasmania during the next reporting period.



Figure 6. Cleveland Project Location Plan

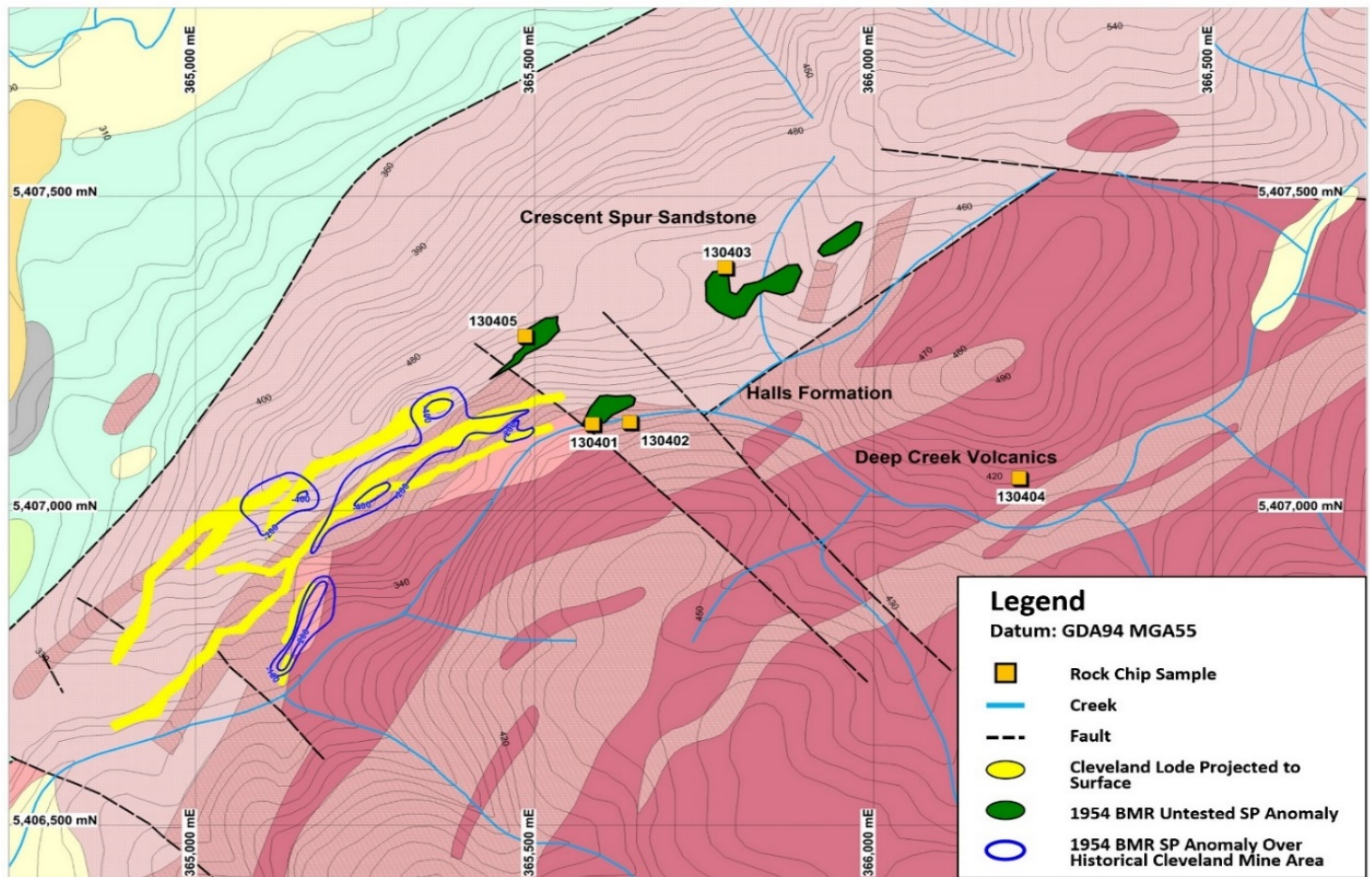


Figure 7. Cleveland Tin Mine mine sequence highlighting the surface projection of the geological resource with superimposed SP anomalies (in blue) and untested SP anomalies (in green) to the northeast of the historical workings.

CORPORATE

Appointment of New CEO

Subsequent to the end of the reporting period, the Company announced the appointment of a new CEO, Mr Joe David. Mr David is experienced in project development, project delivery and capital markets and whose skills will provide an ideal foundation to drive the company's projects through development and into production ^{*11}.

Tin Price

The LME tin price has gained approximately 28% during the reporting period. The LME tin price at the time of reporting was above US\$27,500/t (www.LME.com 19 April 2021)

The price increase appears to have been driven by increased demand in downstream markets which is outstripping supply. Global supply shortages are due to falling production from some prominent mining districts has been exaggerated by congestion and delays resulting from the impact of COVID-19 on international logistic systems.

Exploration Tenements

Tenement Name	Tenement Number	Area (km ²)	ELT Interest	Tenement Location
Cleveland	EL7/2005	55	100%	Tasmania, Australia
Oropesa	13.050	13	100%	Andalucia, Spain

ASX Listing Rule 5.3 disclosure

- During the quarter, payments for exploration and evaluation activities covering both the Oropesa and Cleveland projects totalled \$499,000.
- Payments of \$51,000 were made during the quarter to Related Parties, as reported in clause 6.1 of the ASX Appendix 5B (Cash Flow Report).

Elementos completes \$6.1 million capital raising

Subsequent to the end of the reporting period, Elementos completed a \$6.1 million capital raising (before costs) after receiving firm commitments from institutional, sophisticated and accredited investors. These funds will be used to continue to progress the development of the company's wholly owned Oropesa Tin Project in Spain and continue the exploration and assessment of the Cleveland Project in Tasmania ^{*12}.

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.

For more information on specific risks associated with forward looking statements refer to the Risk Assessment section of the announcement "Positive Economic Study for the Oropesa Tin Project", 7th May 2020.

Competent Person Statement

The information in this report is based on and fairly represents information and supporting documentation that has been compiled for this report. Mr Chris Creagh is a consultant to Elementos Ltd. Mr Creagh has reviewed and approved the technical content of this report. Mr Creagh is 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). Mr Creagh is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

References to Previous Releases

The information in this report that relates to the Mineral Resources and Ore Reserves were last reported by the company in compliance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Mineral Resources, Ore Reserves, production targets and financial information derived from a production target were included in market releases dated as follows:

- **1 - Acquisition of the Oropesa Tin Project, 31st July 2018*
- **2 - Exploration Evaluation at Oropesa tin project, 4th February 2019*
- **3 - Positive Economic Study for the Oropesa Tin Project, 7th May 2020*
- **4 - Oropesa optimisation work and drilling to unlock further value, 13th July 2020*
- **5 - Oropesa Tin Project – Drilling Progress Report, 6th January 2021*
- **6 - Oropesa Tin Project – Drilling Progress Report, 19th January 2021*
- **7 - Oropesa Tin Project – Drilling Progress Report, 8th February 2021*
- **8 - Cleveland Tin Project – Exploration re-commences, 4th March 2021*
- **9 - Oropesa Tin Project – Drilling Progress Report, 17th March 2021*
- **10 - Oropesa Tin Project – Drilling Progress Report, 22nd March 2021*
- **11 - Appointment of Chief Executive Officer, 12th April 2021*
- **12 - Elementos completes capital raising to continue the development of the Oropesa tin project amid strong tin prices, 19 April 2021*

The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred above and further confirms that all material assumptions underpinning the production targets, forecast financial information derived from a production target and all material assumptions and technical parameters underpinning the Ore Reserve and Mineral Resource statements contained in those market releases continue to apply and have not materially changed.

This announcement was approved by the Board of Elementos Limited.