

3 December 2021

Elementos starts Oropesa Tin Project Optimisation Study

Highlights

- Elementos commences Optimisation Study to reassess size and scale of its Oropesa Tin Project, Spain
- Changes to key drivers such as global tin price and updated Mineral Resource Estimate have the potential to reshape the project's scale
- Study will confirm the basis of the Oropesa Definitive Feasibility Study (DFS)

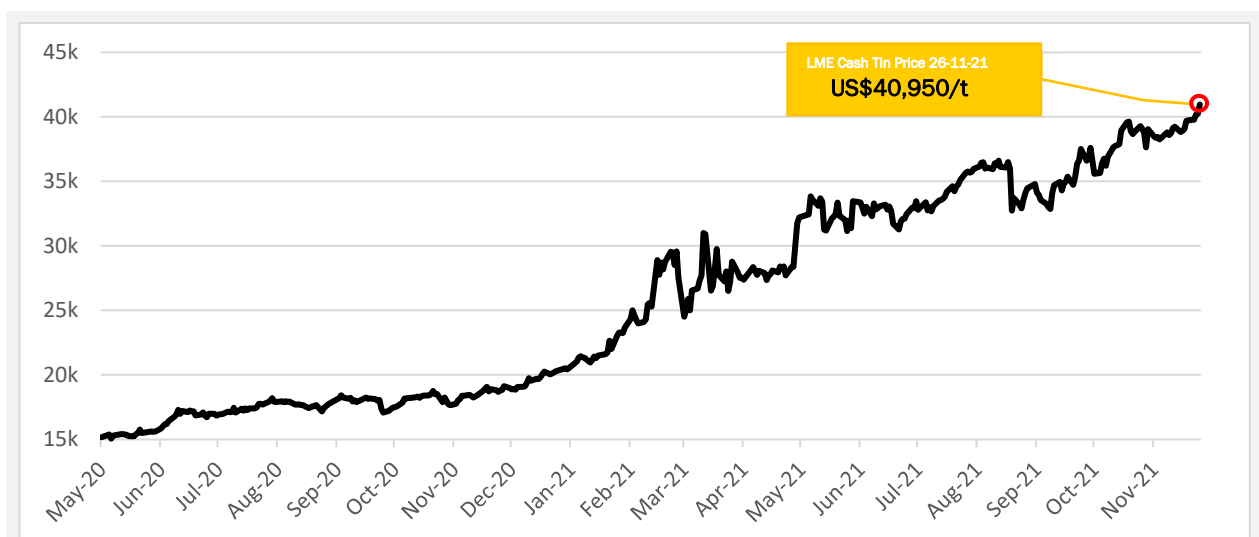
Elementos Limited (ASX: ELT) is pleased to announce it has commenced an Optimisation Study (JORC level Scoping Study) at its wholly-owned Oropesa Tin Project in Spain to reassess the annual mining rate, and throughput of the processing plant and supporting infrastructure.

Amid recent historic tin price highs above US\$40,000/tonne (LME cash price), this study will confirm the basis of design for the Definitive Feasibility Study (DFS), by re-optimising the company's May 2020 Updated Economic Study¹, which already positioned Oropesa as a low cost, globally significant new tin project.

The Optimisation Study follows a material increase in key project drivers over the past 18 months which have the potential to reshape the project's economics and scale. These include:

1. Higher Tin Prices

Elementos' May 2020 Updated Economic Study was based on a tin price of US\$19,750/t. The current LME cash price has recently closed over US\$41,000/t (+108%) while the Chinese Metal Market tin prices is trading over US\$46,000/t (+133%).



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2. Updated Mineral Resource

Following a 46-hole drill campaign over the past year, Oropesa's Total Mineral Resource Estimate² increased by 50% from 12.54 million tonnes (Mt) to 18.86Mt, while an additional 3.6Mt of shallow tonnes (<100m RL) were also added. As a result, 88% of Oropesa's Mineral Resource is now classified as Measured and Indicated, providing greater geological confidence.

Elementos CEO Joe David said the Optimisation Study would not delay the delivery of the previously announced DFS³.

"The Optimisation Study is forecast to be completed before key DFS inputs from the feasibility metallurgy, geotechnical, and hydrogeological development programs are received towards the end of Q1 2022," Mr David said.

"It is an exciting time to be in tin and given changes in the tin market and growth in our Oropesa MRE, we believe it is worth re-assessing the project scale to ensure we are delivering optimal value to our shareholders. For clarity, there is no commitment by the company that the scale of the project will increase, this is the focus on the Optimisation Study and will be confirmed at the completion."

Elementos has contracted the Measured Group Pty Ltd ("Measured") to help deliver the Optimisation Study following its appointment to deliver the DFS Mine Plan and JORC Reserves Estimate during 2022. Previously, Measured prepared the updated 2021 Mineral Resource Estimate and was the Independent Authors of the NI 43-101 (Canadian) technical report version of the May 2020 Updated Economic Study.

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

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ABOUT ELEMENTOS

Elementos is committed to the safe and environmentally conscious exploration, development, and production of its global tin projects. The company owns two world class tin projects with large resource bases and significant exploration potential in mining-friendly jurisdictions. Led by an experience-heavy management team and Board, Elementos is positioned as a pure tin platform, with an ability to develop projects in multiple countries. The company is well-positioned to help bridge the forecast significant supply shortfall in coming years. This shortfall is being partly driven by reduced productivity of major tin miners in addition to increasing global demand due to electrification, green energy, automation, electric vehicles and the conversion to lead-free solders as electrical contacts.

Competent Persons Statement:

The information in this report that relates to the Annual Mineral Resources and Ore Reserves Statement, Exploration Results and Exploration Targets is based on information and supporting documentation compiled by Mr Chris Creagh, who is a consultant to Elementos Ltd. Mr Creagh 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. Chris Creagh 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). The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

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 – “Positive Economic Study for the Oropesa Tin Project paves pathway to development”, 7th May 2020
- 2 – “Oropesa Tin Project - Mineral Resource Estimate”, 8th November 2021
- 3 – “Oropesa DFS Commencement”, 12th July 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 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.