27 February 2019

Reporting in Canada

As previously announced, Interim Completion of the Arrangement Agreement signed between **Elementos Limited (ASX: ELT) ("Elementos" or the "Company")** and Eurotin Inc. (**TIN**) for the acquisition of the Oropesa Tin Project, occurred on 4 January 2019. Eurotin Inc. is a Canadian company listed on the TSX.

As per the Company's earlier announcements and the notice of meeting announced on 30 October 2018, upon Interim Completion the Company issued to TIN 1,000,000,000 convertible redeemable preference shares (**CRPS**). The CRPS have been distributed to the shareholders of TIN.

Upon Interim Completion and the distribution of the CRPS to the TIN shareholders, Elementos has triggered Canadian reporting issuer status in each (Canadian) province in which TIN reports. This necessitates filing in Canada of continuous disclosure filings as well as insider filings in accordance with the relevant Canadian securities laws.

Pursuant to the ASX Listing Rules, the Company is obliged to release any reports lodged in Canada on the ASX Announcements Platform. To that end, the following two reports have been lodged in Canada (on the SEDAR reporting platform) and are attached to this announcement:

- Interim Condensed Consolidated Financial Statements (Unaudited – Prepared by Management) for the Six Months Ended December 31, 2018 & 2017
- Management Discussion and Analysis (Form 51-102F1)for the Quarter Ended December 31, 2018

For more information, please contact:

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Please visit us at: www.elementos.com.au

ELEMENTOS LIMITED

(An Exploration Stage Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Australian Dollars)

Six Months Ended December 31, 2018 & 2017

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by management and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements.

signed "Chris Dunks"
Chris Dunks, Director

signed "Corey Nolan"
Corey Nolan, Director

February 25, 2019

ELEMENTOS LIMITED
(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Financial Position (Unaudited)
Expressed in Australian Dollars

	December 31, 2018	June 30, 2018
ASSETS		
Current Assets		
Cash	$1,263,762	$936,562
Other receivables	5,812	5,834
Total Current Assets	1,269,574	942,396
Non-Current Assets		
Property and equipment (Note 5)	26,327	31,426
Other non-current assets	7,000	7,000
Exploration and evaluation assets (Note 6)	5,494,136	5,326,936
Total Non-current Assets	5,527,463	5,365,362
Total Assets	**$6,797,037**	**$6,307,758**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$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
Shareholders' Equity		
Capital stock (Note 7)	16,393,534	15,578,119
Reserves	479,193	119,849
Accumulated losses	(10,244,696)	(9,485,123)
Total Shareholders' Equity	6,628,031	6,212,845
	$6,797,037	**$6,307,758**

On behalf of the Board:

signed "Chris Dunks"
Chris Dunks, Director

signed "Corey Nolan"
Corey Nolan, Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ELEMENTOS LIMITED
(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
Expressed in Australian Dollars

	Three months ended December 31, 2018	Three months ended December 31, 2017	Six months ended December 31, 2018	Six months ended December 31, 2017
INTEREST INCOME				
Interest received	$ 2,280	$ 1,695	$ 4,871	$ 5,820
EXPENSES				
Administration	34,049	3,824	53,761	25,643
Consulting fees	106,662	46,248	161,198	91,698
Salary and Wages expenses	89,310	16,344	138,200	66,300
Operating	76,297	50,189	91,165	87,505
Professional fees	215,123	30,456	278,581	123,126
Transfer agent and filing fees	13,527	11,217	41,539	52,871
Total expenses	534,968	158,278	764,444	447,143
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$532,688**	**$ 156,583**	**$759,573**	**$441,323**
Loss per share - basic and diluted (cents per share)	**$ 0.0004**	**$ 0.0001**	**$ 0.0005**	**$ 0.0004**
Weighted average number of shares outstanding	**1,404,183,671**	**1,173,460,186**	**1,404,183,671**	**1,173,460,186**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ELEMENTOS LIMITED
(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
Expressed in Australian Dollars

	Capital Stock		Reserves: Share-based payments	Deficit	Total
	Number	$	$	$	$
Balance at July 1, 2017	**949,297,823**	**13,391,701**	**133,200**	**(8,729,360)**	**4,795,541**
Loss for the period	-	-	-	(441,323)	(441,323)
Shares issued	323,743,314	1,852,106	-	-	1,852,106
Balance at December 31, 2017	**1,273,041,137**	**15,243,807**	**133,200**	**(9,170,683)**	**6,206,324**
Loss for the period	-	-	-	(378,610)	(378,610)
Transfer of options expired	-	-	(64,170)	64,170	-
Issue performance rights	-	-	50,819	-	50,819
Shares issued	58,971,773	334,312	-	-	334,312
Balance at June 30, 2018	**1,332,012,910**	**15,578,119**	**119,849**	**(9,485,123)**	**6,212,845**
Loss for the period	-	-	-	(759,573)	(759,573)
Options issued	-	-	359,344		359,344
Shares issued	205,318,051	815,415	-	-	815,415
Balance at December 31, 2018	**1,537,330,961**	**16,393,534**	**479,193**	**(10,244,696)**	**6,628,031**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ELEMENTOS LIMITED
(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)
Expressed in Australian Dollars

	Six months ended December 31, 2018	Six months ended December 31, 2017
OPERATING ACTIVITIES		
Loss for the period	$ (759,573)	$ (441,323)
Adjustments to reconcile loss to net cash used in operating activities		
Depreciation	5,098	6,085
Share-based payments	29,344	-
Changes in non-cash working capital items		
Other receivables	(22)	-
Accounts payable and accrued liabilities	78,593	(367)
Total cash used in operating activities	**(646,560)**	**(435,605)**
INVESTING ACTIVITIES		
Purchase of property and equipment	-	-
Expenditures on exploration and evaluation assets	(163,752)	(435,380)
Total cash used in investing activities	**(163,752)**	**(435,380)**
FINANCING ACTIVITIES		
Cash received on issuance of shares	1,227,255	1,404,646
Costs of issuance of shares	(89,743)	(126,355)
Repayment of loan	-	(4,989)
Total cash provided by financing activities	**1,137,512**	**1,273,302**
Foreign exchange effect on cash	**-**	**-**
Total increase (decrease) in cash during the period	**327,200**	**402,317**
Cash, beginning of period	936,562	655,868
Cash, end of period	**$1,263,762**	**$1,058,185**
Supplemental Cash Flow Information		
Exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	-	-
Amortization included in exploration and evaluation assets	-	-

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

Elementos Limited (the "Company") is currently focused on exploring the Company's Tin projects including the Cleveland Project located in Tasmania, Australia and the recently acquired Oropesa Tin Project located in Spain. The Company has not earned revenues and is considered to be in the exploration stage.

These interim condensed consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. The Company has not generated revenues from operations. As such, the Company's ability to continue as a going concern depends on its ability to successfully raise additional financing. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No adjustments for such circumstances have been made in the financial information.

The Company's ability to continue as a going concern depends on its ability to successfully raise additional financing. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No adjustments for such circumstances have been made in the financial information.

The head office of the Company is located at Level 6, 10 Market Street, Brisbane, 4000, Australia.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*.

The significant accounting policies applied in these interim condensed consolidated financial statements are presented in note 3 and are based on IFRS effective June 30, 2018. These interim condensed consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except cash flow information.

(b) Approval of the Interim condensed consolidated Financial Statements

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on February 25, 2019.

(c) Functional and Presentation Currency

The interim condensed consolidated financial statements are presented in Australian dollars, which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated. Areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are disclosed in note 3(m).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been adopted for the six months period ended December 31, 2018 and have been applied consistently to all comparative periods presented in these interim condensed consolidated financial statements.

(a) Basis of Consolidation

These interim condensed consolidated financial statements include the assets, liabilities, revenues and expenses of the Company and its wholly owned subsidiaries, Rockwell Minerals Ltd, Rockwell Minerals Tasmania Pty Ltd, Element Minerals Australia Pty Ltd, Elementos Spain Pty Ltd, in Australia, Elementos Minerales S.A. of Argentina, Elementos Chile Ltd of Chile. All intercompany transactions and balances have been eliminated on consolidation.

(b) Foreign Currency Transactions

Foreign currency accounts are translated into Australian dollars as follows:

At the transaction date, each asset, liability, income and expense denominated in a foreign currency is translated into Australian dollars by the use of the exchange rate in effect at that date. At the statement of financial position date, unsettled monetary assets and liabilities are translated into Australian dollars by using the exchange rate in effect at that date and the related translation differences are recognized in profit or loss. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in profit or loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Australian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Australian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in profit or loss or other comprehensive income consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

(c) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Mineral Exploration and Evaluation Expenditures (Continued)

Exploration and Evaluation Assets (Continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Conversely, the Company may occasionally enter into farm-in agreements, whereby the Company will obtain part of a mineral interest and, as consideration, must meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the transferor. All expenditures made by the Company are capitalized to exploration and evaluation assets as incurred.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

(e) Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided, using the straight-line method, over the following periods:

Plant and Equipment	3 years
Motor vehicle	5 years

(f) Impairment of Non-financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial period-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Impairment of Non-financial Assets (Continued)

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in comprehensive loss.

(g) Issued Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted a relative fair value method with respect to the measurement of shares issued as private placement units. Proceeds received on the issuance of units, consisting of common shares, are allocated to the common shares issued based on the relative fair values of the components.

(h) Share-based Payments

Where equity-settled share options are awarded to suppliers and employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of operations and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the consolidated statement of operations and comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of operations and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of capital stock.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued and the amount reflected in share-based payments reserve is credited to capital stock along with any consideration paid.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Share-based Payments (Continued)

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Where share options expire or are cancelled, the fair value previously recognized is transferred from reserves to accumulated deficit.

(i) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options and similar instruments. It assumes that the proceeds of such exercises would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options that would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(j) Financial Instruments

(i) Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis.

The Company's accounting policy for each category is as follows:

Financial Assets at Fair Value through Profit or Loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Held-to-maturity ("HTM") *Financial Assets*

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs, and are subsequently measured at amortized cost using the effective interest rate method. The Company does not have any assets classified as HTM investments.

Available-for sale ("AFS") *Financial Assets*

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial asset categories and are subsequently measured at fair value. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity.

Management assesses the carrying value of AFS financial assets at every reporting period and any impairment charges are also recognized in income or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments are transferred from other comprehensive income to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Instruments (Continued)

(i) Financial Assets (Continued)

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired. Included in loans and receivables is certain other receivables and deposit.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

(ii) Financial Liabilities

Financial Liabilities at Fair Value through Profit or Loss

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other Financial Liabilities

Financial liabilities are classified as other financial liabilities, initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Included in other financial liabilities is accrued payables and accrued liabilities.

Derivative Financial Instruments

The Company is not engaged in any derivative contracts.

(iii) Fair Value Hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records management's best estimate of the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

(l) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income, except to the extent that it relates to a business combination, or items recognized directly in equity including other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted at the reporting date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. Deferred income taxes are determined using tax rates and tax laws that have been enacted at the reporting date. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below.

Estimates

(i) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(ii) Income Taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the consolidated financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time. These differences could materially impact earnings.

Judgments

(iii) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

(iv) Going Concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company’s ability to continue as a going concern.

Expressed in Australian Dollars

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not early-adopted these revised standards and is currently assessing the impact these standards will have on the consolidated financial statements.

1 – AASB 16 - Leases – applicable to annual reporting periods beginning on or after 1 January 2019.

5. PROPERTY AND EQUIPMENT

	Plant and equipment	Motor vehicle	Total
Cost			
Balance at July 1, 2017	$ 17,283	$ -	$ 17,283
Additions	3,587	34,483	38,070
Balance at December 31, 2017	**20,870**	**34,483**	**55,353**
Additions	1,149	-	1,149
Balance at June 30, 2018	**22,019**	**34,483**	**56,502**
Additions	-	-	-
Balance at December 31, 2018	**$ 22,019**	**$ 34,483**	**$ 56,502**
Accumulated Amortization			
Balance at July 1, 2017	$ 15,561	$ -	$ 15,561
Additions	3,210	2,874	6,084
Balance at December 31, 2017	**18,771**	**2,874**	**21,645**
Additions	592	3,448	4,040
Balance at June 30, 2018	**18,754**	**6,322**	**25,076**
Additions	1,650	3,448	5,098
Balance at December 31, 2018	**$ 20,405**	**$ 9,770**	**$ 30,175**
Carrying amounts			
Balance at July 1, 2017	**$ 1,722**	**-**	**$ 1,722**
Balance at December 31, 2017	**$ 2,099**	**$ 31,609**	**$ 33,708**
Balance at June 30, 2018	**$ 3,265**	**$ 28,161**	**$ 31,426**
Balance at December 31, 2018	**$ 1,614**	**$ 24,713**	**$ 26,327**

Expressed in Australian Dollars

6. EXPLORATION AND EVALUATION ASSETS

	Cleveland Project
Balance at December 31, 2017 and 2018	
Exploration costs	
Balance: July 1, 2017	**$ 4,745,500**
Geological and geophysical	25,190
Drilling	379,542
Feasibility Studies	38,442
Administration and other	47,041
	490,216
Balance: December 31, 2017	**$ 5,235,716**
Geological and geophysical	30,210
Drilling	188,127
Feasibility Studies	8,079
Administration and other	9,443
	235,861
Less: Research and Development Refund	**(144,641)**
Balance: June 30, 2018	**$ 5,326,936**
Geological and geophysical	126,037
Drilling	20,268
Feasibility Studies	4,399
Administration and other	16,495
	167,200
Balance: December 31, 2018	**$ 5,494,136**

Cleveland Project

The Company announced on the 26th September 2018 a significant increase in the Cleveland open pit resource. The mineral resource upgrade resulted from modelling near surface ore lenses that were not included in previous open pit resource estimates, and increased resources resulting from the diamond drilling programme completed in 2018 at Cleveland by Elementos. The Cleveland ore body remains open at depth, along strike and down dip from the currently defined ore lenses.

Activity at Cleveland during the reporting period has been focused on updating the geological database to include all the historical geological and geotechnical information, dating from the early 1960's, that has not been recorded digitally. This will enable the Company to complete a detailed engineering study on a potential open pit mine design for Cleveland.

Expressed in Australian Dollars

7. CAPITAL STOCK

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

The holders of common shares are entitled to receive dividends, which may be declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regard to the Company's residual assets.

(b) Issued and Outstanding

During the period ended December 31, 2018, the following fully paid ordinary shares were issued during the period:

	31 Dec 2018	
	Number of shares	$
Reconciliation of issued and paid-up capital		
Opening balance as at 1 July	1,332,012,910	15,578,119
Shares issued (1)	5,318,052	31,908
Shares issued (2)	199,999,999	1,200,000
Share issue costs (3)	-	(416,493)
Closing Balance	1,537,330,961	16,393,534

(1) Issued at 0.60 cents each on 4 July 2018, upon the exercise of options
(2) 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

(3) Of this amount $330,000 relates to the issue of options to Lion Bay Capital, further details included in Note 7 (c)(ii) below.

(c) Options

(i) Incentive Options

The Company has a stock option incentive plan (the "Plan") under which it is authorized to grant options to officers, directors, employees and consultants in consideration for services.

Under the terms of the Plan, the exercise price of each option is to be determined by the Board at its sole discretion. Options granted may have a minimum term of two years. Vesting terms are determined at the time the options are granted.

The total number of Securities which may be offered by the Company under this Plan shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous three year period under:

(a) an employee incentive scheme covered by ASIC CO 14/1000; or
(b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

Expressed in Australian Dollars

Details of the status of the Company's stock options as at December 31, 2018 and 2017 and changes during the period are as follows:

	No. of Options	Weighted average exercise price
Balance at July 1, 2017	**20,300,000**	**$0.0201**
Balance at December 31, 2017	**20,300,000**	**$0.0201**
Expired during the period	(9,300,000)	$0.02965
Balance at June 30, 2018	**11,000,000**	**$0.0121**
Expired during the period	(1,000,000)	$0.012
Balance at December 31,2018	**10,000,000**	**$0.0125**

(ii) Other Options

The below table details the status of other options as at December 31, 2018 and 2017 and changes during the period are as follows:

	No. of Options	Weighted average exercise price
Balance at July 1, 2017	-	-
Issued during the period	337,324,642	$0.006
Exercised during the period	(86,418,672)	$0.006
Balance at December 31, 2017	**250,905,970**	**$0.006**
Exercised during the period	(58,971,773)	$0.006
Expired during the period	(186,616,145)	$0.006
Balance at June 30, 2018	**5,318,052**	**$0.006**
Options issued during the period (1)	100,000,000	$0.007
Exercised during the period	(5,318,052)	$0.006
Balance at December 31,2018	**100,000,000**	**$0.007**

(1) As part of the Capital Raising 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.

(d) Performance Rights

On 9 February 2018, 30,000,000 performance rights were granted to the Company's Chief Executive Officer, Chris Creagh, one of the Group's key management personnel, under the (shareholder approved) Performance rights Plan. The performance rights have seven tranches that each have difference test dates, vesting dates and vesting conditions as detailed in the below table. All of the Performance Rights have an expiry date of 30 June 2020.

Column 1	**Column 2**
(1) 4,000,000	On continuous employment with the Company until 31 March 2018
(2) 2,000,000	On successful completion of the Definitive Feasibility Study
(3) 3,000,000	On continuous employment with the Company until 1 January 2019

Expressed in Australian Dollars

(4) 3,000,000	On final approval of Environmental Permitting by any relevant authority
(5) 4,000,000	On completion of a capital raising (debt or equity, or a combination) sufficient to fund construction of a project and Elementos' corporate costs
(6) 4,000,000	On continuous employment with the Company until 1 January 2020
(7) 10,000,000	On the commissioning of a process plant that uses the low concentrate, roasting, leaching and electrowinning technology introduced to Elementos and reaching 80% of planned monthly production rate for a period of 3 months at any site operated by Elementos

As at December 31, 2018, tranche 1 consisting of 4,000,000 performance rights have vested and are exercisable.

8. RELATED PARTY TRANSACTIONS AND BALANCES

Included in accounts payable and accrued liabilities is $6,691 (2017 - $Nil) owing to directors of the Company.

The key management personnel of the Company are the directors and officers of the Company. Compensation awarded to key management for the quarter ended December 31, 2018 and 2017 are as follows:

	Three months ended December 31, 2018	Three months ended December 31, 2017
Salary, wages and fees	$ 167,339	$ 115,571
	$ 167,339	**$ 115,571**

9. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as held-for-trading; and accounts payable and accrued liabilities, as other financial liabilities.

(a) Fair Value

The carrying values of the accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments. The carrying value of the deposit also approximates its fair value.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash are placed with a major Australian financial institution.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has cash and other receivables at December 31, 2018 in the amounts of $1,263,762 and $5,812, respectively, (December 31, 2017 - $936,562 and $5,834, respectively). At December 31, 2018, the Company has accounts payable and accrued liabilities of $138,976 (December 31, 2017 - $62,330) with contractual maturities of less than 30 days.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Australian dollar, primarily in Australian dollars ("AUD").

The Company is not exposed to significant foreign currency risk and therefore does not manage currency risk through hedging or other currency management tools.

(ii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash consists of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as at December 31, 2018.

(iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral property interests. The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will be able to continue this form of financing due to uncertain economic conditions.

There have been no changes to the Company's approach to capital management during the period. The Company is not exposed to any externally imposed capital requirements.

11. SEGMENTED REPORTING

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 on tin. The Group's previous exploration activities in Argentina and Chile, have been discontinued and/or sold.

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. 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.

12. **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.

ELEMENTOS LTD
Management Discussion and Analysis
(Form 51-102F1)
For the Quarter Ended December 31, 2018
Information as of February 25, 2019 unless otherwise stated

Note to Reader

Introduction

The following management discussion and analysis of the financial condition and results of operations of Elementos Limited ("Elementos" or the "Company") should be read in conjunction with the Company's unaudited financial statements for the same period prepared by the Company's management. These statements are available for review under the Company's profile at www.sedar.com. In this management's discussion and analysis, references to Elementos are references to Elementos and its subsidiaries, on a consolidated basis, unless otherwise required by the context.

Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Business of the Company

Overview

Elementos was incorporated under the Australian Corporations Act as "Element Minerals Limited" on July 23, 2009. On September 8, 2009, Elementos changed its name to "Elementos Limited". The Company was listed on the Australian Stock Exchange ("ASX") and called to trade on 23 December 2009. The Company has not earned revenues and is considered to be in the exploration stage.

The Company is focused on creating a multi-project tin exploration and production company via a diversified portfolio of projects in low risk jurisdictions with long mining histories.

The Company, through its wholly owned subsidiary, Rockwell Minerals (Tasmania) Pty Ltd (Rockwell), holds a 100% interest in the Cleveland Tin Project in Tasmania, Australia. The Company has also achieved Interim Completion of an Arrangement Agreement to purchase the Oropesa Tin Project in Spain, and has signed a memorandum of understanding with a Malaysian Company, Empire Tin Mining Sdn Bhd, to negotiate a joint venture on the Temengor tin project in northern peninsular Malaysia.

Summary of Projects

Cleveland Tin Project Review

The Cleveland Project consists of Exploration Licence EL7/2005. The licence covers approximately 55km^2. The Cleveland Project is located at Luina, approximately 80 km southwest of Burnie in northwestern Tasmania, Australia. The Cleveland Tin Project tenement includes the historical underground Cleveland Tin Mine.

Exploration Licence 7/2005 was granted to Lynch Mining Pty Ltd on the 30th June 2005. Rockwell acquired 100% ownership of EL7/2005 from Lynch Mining on the 6th June 2014. Exploration Licence EL9/2006, was granted to Rockwell on 21st September 2007. An application was approved for the consolidation of EL7/2005 and EL9/2006 into a single tenement (EL7/2005) on the 30th of January 2015.

The Cleveland Tin Project was formerly operated by Cleveland Tin NL, Aberfoyle Ltd. and other Aberfoyle group companies (collectively known as "Aberfoyle"). Outcrops of gossan, containing anomalous silver and lead, were first discovered by prospectors at the Cleveland Tin Project in about 1898. Tin was first identified at the Cleveland Project in 1900 by Harcourt Smith, a Government Geologist. Mining by the Cleveland Tin Mining Company NL commenced in 1908, but the mine closed in 1917 after production of about 275 tonnes of tin in the form of cassiterite concentrate. From 1935 to 1939, the Mount Bischoff Tin Mining Company undertook exploration by small-scale underground mining, but no tin production occurred during this period.

Exploration by the Tasmania Mines Department and the Australian Bureau of Mineral Resources in the 1950s identified the potential for relatively large cassiterite bearing sulphide ore bodies. Consequently, in 1961, the Aberfoyle Tin Development Partnership acquired the Cleveland Project leases and commenced systematic exploration based on geological mapping diamond drilling. Since then, over 2000 diamond drill holes have been drilled into the deposit, and its known depth has been demonstrated to about 700 metres below the surface.

Aberfoyle commenced modern mining at the Cleveland Project in 1968 using trackless methods for mining and ore haulage to the surface. The Cleveland Project was among the first in the world to use trackless mining, and the mine now extends to a depth of over 500 metres below surface. Production from the mine during the Aberfoyle operation from 1968 to 1986 was 5,645,000 tonnes at a grade of 0.68% tin as cassiterite and 0.28% copper. Allowing for the minor occurrence of tin as stannite, estimated to be 8.4% of the total tin during the period of mining, the total production from 1968 to 1986 was approximately: 5,645,000 tonnes at 0.74% tin, 0.28% copper, 0.06% soluble tin. The Cleveland Project produced about 24,000 tonnes of tin in concentrate and about 10,000 tonnes of copper in concentrate.

The global price of tin fell significantly in 1985 following the collapse of price support from the International Tin Council. Also, Aberfoyle had turned its attention to lead, zinc and copper following the discovery of the Que River deposit in 1974 and the Hellyer deposit in 1983. The Cleveland Project was closed in June 1986.

Access to the Cleveland Tin Project is by way of the sealed all-weather road, which runs from Burnie through Waratah and Luina to Savage River. The former mine infrastructure and the tailings dams lie in the valleys of the Whyte River and Deep Creek. Accessible power runs through the Cleveland Tin Project area, and there is abundant water available for use. The topography within the tenement is relatively steep and rugged with elevations ranging from about 300m to over 500m above sea level.

At the Cleveland Project, tin and copper mineralisation occurs as stratiform lenses within a series of Cambrian sedimentary rocks. The tin-copper mineralisation (cassiterite – chalcopyrite) is interpreted to be of Devonian – Carboniferous age and consists of intercalated layers of replaced limestone and chert.

There are two significant mineralisation styles at the Cleveland Project:

- Tin and copper bearing semi-massive sulphide mineralisation in lenses. The mineralisation consists of pyrrhotite and pyrite with cassiterite and lesser chalcopyrite and stannite, and quartz, fluorite and carbonates. Sulphide minerals make up 20% to 30% of the mineralisation.

- Tungsten bearing quartz stock-work and minor greisen with wolframite.

Elementos' objective at Cleveland is to move towards production, through a low-capital, staged development strategy. The initial focus is to develop the open-cut and tailings mineral resources (from previous mining/processing activities), and then transition to underground mining once cash flows have been established.

Elementos completed a diamond drilling programme in the first quarter of 2018. The diamond drilling programme forms part of the first exploration programme carried out at Cleveland since the underground mine closed in 1986. Nineteen diamond drill holes were completed during the programme, for a total of 1676 metres. Mineralised intercepts from the drilling programme have been collected for a metallurgical test work programme.

Upon completion of the drilling programme Elementos carried out a review of the Cleveland mineral resource estimate for tin and copper hard rock resources. This report was prepared by a Qualified Person in accordance with the Australian Securities Exchange (**ASX**) Listing Rules 5.6 – 5.24: Reporting on mining activities, where applicable, and Appendix 5A (JORC Code). This report complies with Part 7 of the National Instrument 43-101: Use of Foreign Code.

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

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

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

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*

Table subject to rounding errors; WO_3 = tungsten oxide

***Table 1**. Cleveland Mineral Resources and Ore Reserves*

The 2018 updated resource estimates, as prepared in accordance with JORC Code, are presented in Table 1. The tungsten resource and tailings reserve were not reviewed and are presented as reported in 2014 (*1) and 2015 (*2) respectively. The total 2018 hard rock mineral resource estimate of contained tin increased by 15.8% and contained copper increased by 20.0% from the previous resource estimate reported in 2014.

The open pit resource potential for the Cleveland Project 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 open pit resource contained tin content has increased by 168% from the previous estimate announced in 2015 (*3).

The Cleveland Project will continue to be steadily progressed towards development with the next phases of work. This will include;

- completion of a metallurgical test work programme on hard rock samples. Considerable improvement in metallurgical performance is expected from the changes in processing technology since the Cleveland Mine last operated in 1986,
- detailed design and scheduling for an initial combined open pit and tailings retreatment operation,
- the design and location of a new tailings storage facility, and
- detailed financial modelling of a 'life of mine' combined open pit – tailings – underground operation.

*1 - "Cleveland JORC Resource Significantly Expanded" announced to the ASX on 5 March 2014; and
*2 - "Cleveland Tailings Ore Reserve" released to the ASX on the 3 August 2015;
*3 - "Cleveland Open Pit - High-Grade Mineral Resource Defined" announced to the ASX on 3 March 2015.

Temengor Tin Project Review

On the 21st June 2018 the Company signed a non-binding Memorandum of Understanding (MOU) with Empire Tin Mining Sdn Bhd (Empire). The MOU provides exclusivity to negotiate a Farm-in and Joint Venture Agreement on the Temengor Tin Project in the state of Perak, Malaysia. The Temengor Tin Project is an exploration and development project centred on the historical Temengor Tin Mine, which is located approximately 250 kilometres to the north of Kuala Lumpur.

The Temengor Mine was operated as a hydraulic eluvial mining operation between 1926 and 1931 by the London Stock Exchange listed Temengor Tin Mining Company Limited. Up to ten monitors (water jets) were used to remove deeply weathered granite which contained sheeted quartz veins that contained tin mineralisation in the form of cassiterite. The tin was extracted from the material removed by hydraulic mining by a series of sluices or 'palongs'. Historical records indicate production from the mine was sporadic due to poor water supply. A conversion to hard rock mining was planned to commence in the early 1930's but was unsuccessful due to a shortage of capital during the Great Depression. Exploration and mining activity in the Temengor region became dormant during World War 2 and subsequent years due to adverse security conditions up until the 1980's. Archived records indicate that all hard rock exploration activities on the Temengor project area ceased in 1937. Road access to the region was cut-off by the construction of the Temengor Dam in 1978. The project area is covered by two exploration licences that cover a total area of 1950 hectares.

The commencement of exploration activities at Temengor will commence upon completion of the Farm-in and Joint Venture Agreement. The finalisation of this agreement has been delayed by changes in the State of Perak's regulatory authorities since elections were held in 2018.

Oropesa Tin Project Review

The Oropesa Tin Project is subject to Oropesa Investigation Permit number 13.050 (the "Permit") which was originally granted to Sondeos y Perforaciones Industrales del Bierzo, S.A. ("SPIB") in January, 2008. Pursuant to a Sale and Purchase Agreement (the "SPA") dated January 30, 2013, SPIB agreed to transfer the Permit to MESPA (a 100% wholly owned subsidiary of Eurotin Ltd), (TSX-V:TIN) and pursuant to the SPA, SPIB was granted a 1.35% net smelter return ("NSR") from the sale of tin concentrate from the Property, and also the right to be issued a 4% equity interest in MESPA when the Property reaches commercial production. An Exploitation Licence application, that will replace the investigation Permit when approved, was lodged in October 2017. The Company announced Interim Completion of an Arrangement Agreement for the acquisition of MESPA from Eurotin Ltd on 4th January 2019.

The Oropesa Tin Project is located approximately 75 km northwest of Cordoba and 180 km northeast of Seville, in the Region of Andalucía, in southern Spain. The Andalucia Region has a long mining history and supplies, services and professional, skilled and semi-skilled labour are easily sourced from the cities/towns described previously, for both exploration and mining. The area is currently used for sheep and pig farming, with minor plantations of grain crops. The area is well serviced with paved dual and multi-lane highways. The district has power transmission lines which have different voltage capacities.

Mineralisation at Oropesa occurs within a sedimentary sequence which is strongly lithologically controlled. The stratigraphy consists of a laminated sequence of sandstone and conglomerate, with the majority of the mineralisation occurring within the sandstone as a replacement style orebody. Tin mineralisation occurs predominantly as cassiterite associated with disseminated to semi-massive sulphides, namely pyrite with lesser pyrrhotite, sphalerite, chalcopyrite and galena.

Modern exploration commenced in the late 1960's with multi-disciplinary programmes which included mapping, soil, rock chip and stream sediment surveys, ground and air geophysical surveys and diamond drilling. A total of 247 diamond and 12 reverse circulation drill holes for 53,726m have been completed at Oropesa.

SRK (Cardiff) have completed a number of resource estimations for Oropesa, with the latest NI 43-101 compliant technical report released on 20 September 2018.

Oropesa Global Mineral Resource Estimate (0.15% Sn cut-off grade)			
Category	Tonnes	Grades % Sn	Contained Tin (tonnes)
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

Table 2. *Oropesa Mineral Resources*

Detailed metallurgical test work on Oropesa has defined a largely conventional process flowsheet for the production of a tin concentrate for sale to commercial smelters. The process consists of crushing, grinding, sulphide flotation, gravity separation and tin flotation. Current estimates are for tin recoveries to be approximately 74% to a concentrate grade of 62% tin. Additional work to improve the process flowsheet is continuing with the focus on ore pre-concentration.

On the 4th February 2019 the Company announced the definition of an Exploration Target for the Oropesa Tin Project of between 35.5mt and 51.0mt at a grade ranging between 0.46% to 0.62% tin.

Oropesa Exploration Target (0.15% Sn cut-off grade)		
Range	Tonnes	Grade % Sn
Upper	51,000,000	0.62
Lower	35,500,000	0.46

Table 3. *Oropesa Exploration Target*

The Exploration Target has been assessed on prospective stratigraphy in the immediate vicinity to the existing Oropesa JORC Mineral Resource (Table 2).

The Oropesa JORC resource is defined geophysically by an Induced Polarization (IP) chargeability anomaly. The IP survey was carried out in 2011. The Oropesa project area contains a number of parallel IP anomalies, of which only the central IP anomaly has undergone intensive diamond drilling. Detailed drilling of the central IP anomaly has provided sufficient data to build a geological model on which the current Oropesa resource is based, but also provides sufficient data to be able to assess the potential of the Oropesa project to host additional tin resources.

The Exploration Target is based on the current geological understanding of the mineralisation at Oropesa. The target was restricted to a depth of 150m from surface. The Exploration Target, being conceptual in nature, takes no account of any unknown geological complexity, possible mining method or metallurgical recovery factors. The Exploration Target has been estimated in order to provide the market with an assessment of the potential scale of the Oropesa Tin Project.

On 6th February 2019 an initial meeting between the Andalucian Regional Government and representatives of MESPA took place in the Government's office in Cordoba, Spain. The object of the meeting was to discuss the initial review by the Regional Governments representatives of the Oropesa Tin Project Mining Licence application, originally lodged by the previous project owners and managers, Eurotin Ltd. Documents currently under review include the Environmental Impact Study, the Oropesa Exploitation Project (project description), and an Analysis, Valuation and Compensation Proposal for the Mining Project.

Risks and Uncertainties

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time:

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

RESULTS AND FINANCIAL CONDITION

For the Three Months Ended December 31, 2018

The comprehensive loss for the three months ended December 31, 2018 was $532,688 or $0.0004 loss per share. Consulting fees of $106,662, salary and wages of $89,310, operating of $76,297, and professional fees of $215,123 were the most significant expenses. Professional fees increased significantly due to legal fees associated with the Company's acquisition of the Oropesa Tin Project from Eurotin Inc..

The Company had a cash balance of $1,263,762 at December 31, 2018.

SECOND QUARTER ANALYSIS

For the three months ended December 31, 2018 and December 31, 2017, the comprehensive loss was $532,688 and $156,583 respectively. Revenues and expenses for these periods were comprised of:

	Three months ended December 31, 2018 ($)	Three months ended December 31, 2017 ($)
Interest income	2,280	1,695
Consulting Fees	106,662	46,248
Professional fees	215,123	30,456
Salary and Wages expenses	89,310	16,344
Operating	76,297	50,189
Administration, Operating, Transfer Agent, filing fees	47,576	15,041
Comprehensive Loss	532,688	156,583

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with December 31, 2018. Financial information is prepared in accordance with IFRS as issued by the International Accounting Standards Board and is reported in Australian Dollars.

	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Interest income	$2,280	$2,591	$14,241	$2,597	$1,695	$4,125	$320	$279
Net loss	$532,688	$226,885	$194,801	$183,989	$156,583	$284,560	$188,915	$125,944
Net loss per share	$0.0004	$0.0001	$0.0002	$0.0002	$0.0001	$0.0003	$0.0002	$0.0001

The Company has incurred an overall deficit, from its incorporation date of July 23, 2009 to December 31, 2018 of $10,244,696.

SHARE ISSUANCES

During the quarter ended December 31, 2018 the Company issued 199,999,999 shares at an issue price of $0.006 raising $1,200,000 before costs.

OFF-BALANCE SHEET ARRANGEMENTS

For the period ended December 31, 2018 there were no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities is $6,691 (2017 - $Nil) owing to directors of the Company.

The key management personnel of the Company are the directors and officers of the Company. Compensation awarded to key management during the quartered ended December 31, 2018 and 2017 are as follows:

	Three months ended December 31, 2018	Three months ended December 31, 2017
Short-term employee benefits:		
Andy Greig	-	-
Corey Nolan[1]	6,249	6,249
Calvin Treacy[1]	6,249	6,249
Chris Dunks[2]	64,073	20,073
Chris Creagh[3]	50,000	50,000
Duncan Cornish[4]	40,768	33,000
	$ 167,339	**$ 115,571**

1 Directors' fees
2 Fees for management services provided as Executive Director
3 Fees for management services provided as Chief Executive Officer
4 Fees for management services provided as Chief Financial Officer & Company Secretary

During the quarter ended December 31, 2018, there were no options or shares granted to directors of the Company (2017 - nil). No share-based payments expense is allocated to options held by directors of the Company (2017 - nil).

LIQUIDITY AND CAPITAL RESOURCES

The Company is a junior exploration company listed on the Australian Stock Exchange (ASX), and liquidity is related to the market conditions of such issuers, investor patience and expectations for a mining exploration company finding economically recoverable reserves.

According to the Company's balance sheet, as at December 31, 2018 and June 30, 2018, the Company has current assets of $1,269,574 and $942,396, respectively. The Company had a working capital surplus of $1,125,238 and cash of $1,263,762 as at December 31, 2018.

The Company continues to utilize its cash resources to fund exploration expenditures and administrative requirements. As the Company has no significant income, the cash balances, unless replenished by capital fundraising, will continue to decline as the Company utilizes these funds to conduct its operations.

For the three months ended December 31, 2018, net cash used in operating activities was $430,218. The company used $89,965 for investing activities, all of which was spent on exploration and evaluation assets. The Company realized a net increase in cash of $327,200 over the three month period ended December 31, 2018.

SUBSEQUENT EVENTS

ACQUISITION OF OROPESA TIN PROJECT

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.

SIGNIFICANT ACCOUNTING ESTIMATES

Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below.

Estimates

(i) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(ii) Income Taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the consolidated financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time. These differences could materially impact earnings.

Judgments

(i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

(ii) Going Concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company’s ability to continue as a going concern.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as held-for-trading; and accounts payable and accrued liabilities, as other financial liabilities.

(a) Fair Value

The carrying values of the accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments. The carrying value of the deposit also approximates its fair value.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash are placed with a major Australian financial institution.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has cash and other receivables at December 31, 2018 in the amounts of $1,263,762 and $5,812, respectively, (December 31, 2017 - $936,562 and $5,834, respectively). At December 31, 2018, the Company has accounts payable and accrued liabilities of $138,976 (December 31, 2017 - $62,330) with contractual maturities of less than 30 days.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Australian dollar, primarily in Australian dollars (“AUD”). The Company is not exposed to significant foreign currency risk and therefore does not manage currency risk through hedging or other currency management tools.

(ii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company’s cash consists of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as at December 31, 2018.

(iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

CAPITAL STOCK (as at December 31, 2018)

1. Total number of shares issued and outstanding: 1,537,330,961 shares
2. Total number of stock options outstanding: 110,000,000 options
3. Total number of performance rights outstanding: 30,000,000 rights

CONTINUANCE OF OPERATIONS

As at December 31, 2018 the Company was continuing in its efforts to explore and develop mineral properties.

OTHER INFORMATION

The Company's website address is www.elementos.com.au. Other information relating to the Company may be found on SEDAR at www.sedar.com.