

ASX ANNOUNCEMENT

30 April 2018

MARCH 2018 QUARTERLY REPORT

HIGHLIGHTS:

- Completion of the Cleveland Diamond Drilling Programme
- LME Tin Price of US\$21,450/t

Elements Limited (ASX: ELT) ("Elements" or the "Company") is pleased to report on activities during the March 2018 quarter, including actively progressing the Cleveland tin, copper and tungsten project in Tasmania towards development. The Company has completed the diamond drilling programme at Cleveland which was targeted at increasing the existing shallow open cut resources. The Company's objective is to lower investment risk and move towards production and cash flow, through a low-capital, staged development strategy, commencing with open cut production, with the lowest possible dilution of shareholders.

CLEVELAND PROJECT UPDATE

Exploration Drilling

The Company has completed the exploration diamond drilling programme which commenced in the third quarter of 2017. The diamond drilling programme forms part of the first exploration programme to be carried out at Cleveland since the underground mine closed in 1986. Drill data collected prior to 1986 was digitised by Elements and modelled to form the basis of the current resources on the project. This resource includes a small resource (800,000 tonnes at 0.81% Tin and 0.27% Copper) that can potentially be exploited using open cut mining methods (ASX announcement 5th March 2015). Elements commenced the exploration programme in early 2017 to target potential extensions to this open cut resource with the completion of a ground magnetic survey adjacent to the historical underground workings, from which

Location



Figure 1. Project

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several drill targets were identified. Additional drill targets were generated where gaps existed in the historical exploration drill data between the modelled top of the mineralisation and the topographical surface.

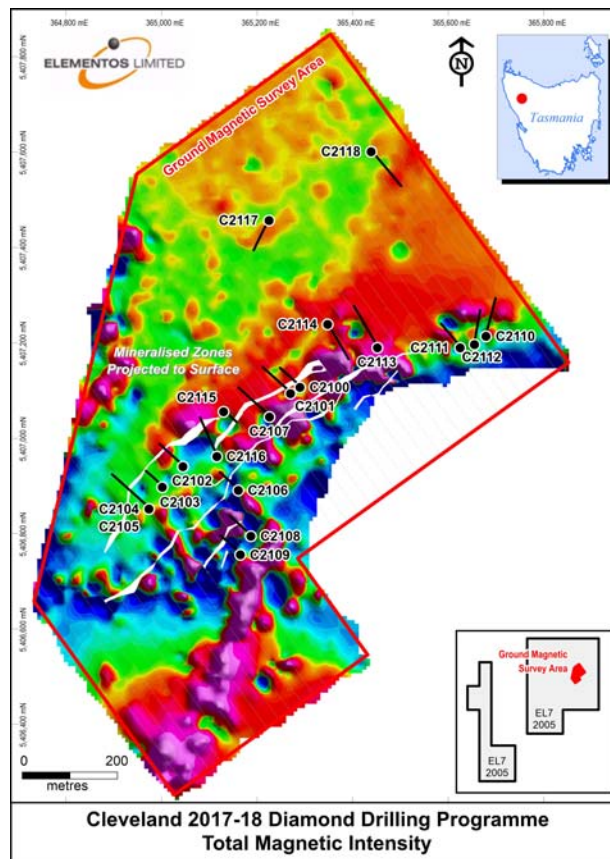
A total of nineteen (19) diamond drill holes, for a total of 1675.8m, were completed during the programme, eighteen (18) of which tested for extensions to the existing open cut resource and new ground magnetic anomalies. One drill hole (C2116) was planned as a metallurgical test work sample hole. Mineralised intervals of drill core are being processed and analysed at the ALS laboratories in Burnie. Assay data from mineralised zones intercepted in drill holes C2100 – C2109 were released to the ASX in announcements made on 7th November 2017 and 30th January 2018.

HOLE NO	GDA94E	GDA94N	RL	Azimuth True	Dip	Depth (m)	Target
	Zone 55						
C2100	365290	5407110	440.5	312	-35	68.9	Henry's Lode
C2101	365270	5407097	442.4	312	-30	89.7	Henry's Lode
C2102	365045	5406944	407.3	312	-15	67.9	Khaki's Lode
C2103	365002	5406901	387.0	312	-15	47.8	Khaki's Lode
C2104	364974	5406855	367.3	312	-40	107.7	Khaki's Lode
C2105	364974	5406855	367.3	312	-5	104.4	Khaki's Lode
C2106	365161	5406894	369.6	312	-30	60.0	Hall's Lode
C2107	365226	5407048	444.5	312	-30	101.2	Henry's Lode
C2108	365187	5406798	320.0	312	-45	84.5	Battery's Lode
C2109	365165	5406759	315.0	312	-55	97.4	Battery's Lode
C2110	365679	5407217	437.5	15	-5	79.9	Main section of Anomaly One
C2111	365625	5407193	434.8	320	-25	68.3	Western section of Anomaly One
C2112	365655	5407200	434.9	10	-30	80.5	Main section of Anomaly One
C2113	365452	5407193	454.9	330	-5	98.3	Extension of Henry's and Khaki Lode
C2114	365348	5407242	520.0	150	-55	152.6	Extension of Khaki's and Henry's Lode
C2115	365130	5407059	460.0	132	-60	74.4	Khaki's Lode
C2116	365116	5406965	444.2	336	-3	86.3	Khaki's Lode
C2117	365225	5407460	385.0	206	-38	92.6	Anomaly Two West
C2118	365439	5407604	401.8	140	-31	113.4	Anomaly Three West
						Total Metres	1675.8

Drill hole collars not surveyed

Table 1.
Drilling Programme

Cleveland Diamond



Exploration Tenements

Elementos Ltd held the following interests in tenements at the end of the quarter:

Tenement Name	Tenement Number	Area (km ²)	Elementos Interest	Tenement Location
Cleveland	EL7/2005	55	100%	Tasmania

No new tenements were acquired during the quarter

CORPORATE

LME Tin Price

The LME tin price at the time of writing was US\$21,450/t.

Other

The Company is actively pursuing additional business development opportunities, particularly in tin. The current global forecast for refined tin is to be in shortfall by approximately 40,000t by 2020.

Details of the Company's financial activities during the quarter are set out in the Appendix 5B cash flow report.

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CAUTIONARY STATEMENTS

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Elementos undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

Mineral Resources and Ore Reserves

Elementos confirms that Mineral Resource and Ore Reserve estimates used in this document were estimated, reported and reviewed in accordance with the guidelines of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 edition.

Elementos confirms that it is not aware of any new information or data that materially affects the Mineral Resource or Ore Reserve information included in the following announcements:

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

The Company also confirms that all material assumptions and technical parameters underpinning the estimates in the Cleveland Mineral Resources and Reserves continue to apply and have not materially changed. Elementos also confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the date of announcement.

MINERAL RESOURCES AND ORE RESERVES

Open Pit Tin-Copper Mineral Resource (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	0.80 Mt	0.81%	6,500t	0.27	2,300t
Inferred	0.01 Mt	0.99%	140t	0.34	50t

Table subject to rounding errors; Sn = tin, Cu = copper

Total Tin-Copper Mineral Resource (at 0.35% Sn cut-off)

Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	5.00 Mt	0.69%	34,500t	0.28%	14,000t
Inferred	2.44 Mt	0.56%	13,700t	0.19%	4,600t

Table subject to rounding errors; Sn = tin, Cu = copper

Tailings Ore Reserve (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

Underground Tungsten Mineral Resource (at 0.20% WO₃ cut-off)

Category	Tonnage	WO ₃ Grade
Inferred	4 Mt	0.30%

Table subject to rounding errors; WO₃ = tungsten oxide

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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