ELEMENTOS LIMITED
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ASX ANNOUNCEMENT

7 August 2019

ORE SORTING PERFORMANCE TESTING DELIVERS POSITIVE RESULTS AT OROPESA

HIGHLIGHTS:

- **25% reduction in waste and 24% increase in grade for processing plant feed demonstrated through ore sorting pre-concentration performance testing at the Oropesa Tin Project**
- **92% recovery of contained tin**
- **Ongoing optimisation of process could increase recovery and feed grade further**
- **These positive results could potentially provide significant operational and financial benefits**

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to advise that the recent performance ore sorting test program completed by TOMRA Sorting Solutions-Mining (TOMRA) on the Oropesa Tin Project (Oropesa) in Spain has delivered excellent results, clearly demonstrating that the TOMRA ore sorting system is able to successfully separate tin bearing ore and waste from the Oropesa feed material.

Modelling of the results indicates a waste mass rejection of 25%, with a 24% increase in the tin grade of the feed to a processing plant, for a 92% recovery of the contained tin. Trends in the test work data indicate that further optimisation of the process should improve tin recovery and feed grade.

Chris Creagh, Chief Executive Officer of Elementos, commented,

"*We are very encouraged by the results of the ore sorting test program completed on the bulk sample from Oropesa. The results provide us with a platform from which to determine the impact on the design of the Oropesa processing plant and significantly, potentially lower future capital and operating costs. The Company will use the information obtained from this test work to further optimise tin recoveries and capital and operating costs.*"

The TOMRA results indicate that ore sorting could provide the following significant benefits to the proposed development of Oropesa;

- Reduced feed to the processing plant
- Higher feed grade to the processing plant
- Improved tin recoveries from the processing plant
- Lower process plant capital and operating costs
- Smaller tailings dam
- Greater opportunities to optimise the overall mine plan and improve project economics

Ore sorting technology similar to what TOMRA provides has been successfully implemented in the tin processing circuits at both the San Rafael Mine in Peru and the Renison Mine in Tasmania.

An ore sorting performance test was carried out on a series of samples from Oropesa by TOMRA engineers based in Hamburg, Germany, to establish whether TOMRA products are capable of sorting tin ore from waste material. For the Oropesa ore, the X-ray transmission (XRT) sensor was considered the most applicable due to its ability to separate high density material (tin mineralisation) from low density waste material.

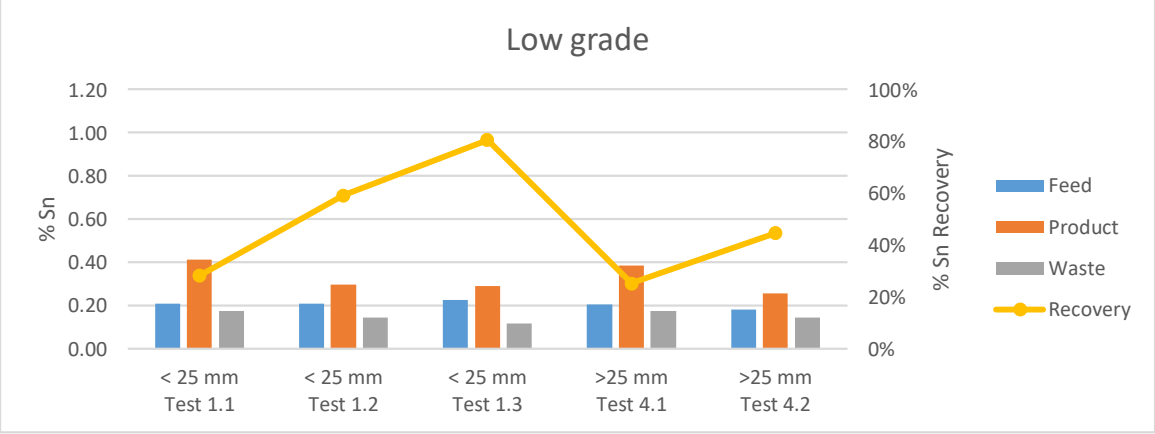
For the test program, the Company supplied three bulk samples that each comprised one tonne of half HQ drill core (63.5mm) collected from core samples that were above the geological resource cut-off grade of 0.15% Sn*[1]. The three samples were collected in order to determine the performance of the TOMRA ore sorting system over a range of feed material.

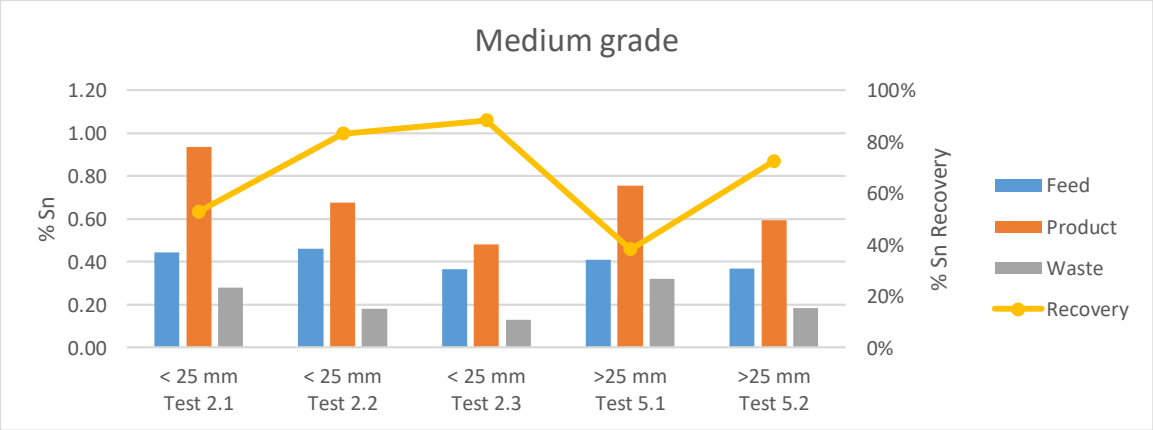
The large sample size permitted the TOMRA engineers to test the material using the COM Tertiary XRT, a full-scale sorting system. The three samples consisted of:

- A low-grade sample with a content of 0.23% Sn
- A medium-grade sample with 0.46% Sn content
- A high-grade sample with 0.68% Sn content

Ten percent dilution using core samples of waste rock was included in each sample to mimic future operating conditions.

All three bulk samples were crushed to <50mm and screened prior to the ore sorting test work being carried out. Material that was less than 10mm (fines) was removed from each sample and set aside due to being too fine for the TOMRA XRT application. For each sample, the fines represented approximately 20% of the sample. The coarse fraction was then screened into two sizes, +10mm-25mm, and 25-50mm. The coarser fractions were then processed through the ore sorting machine using different sensitivity settings.





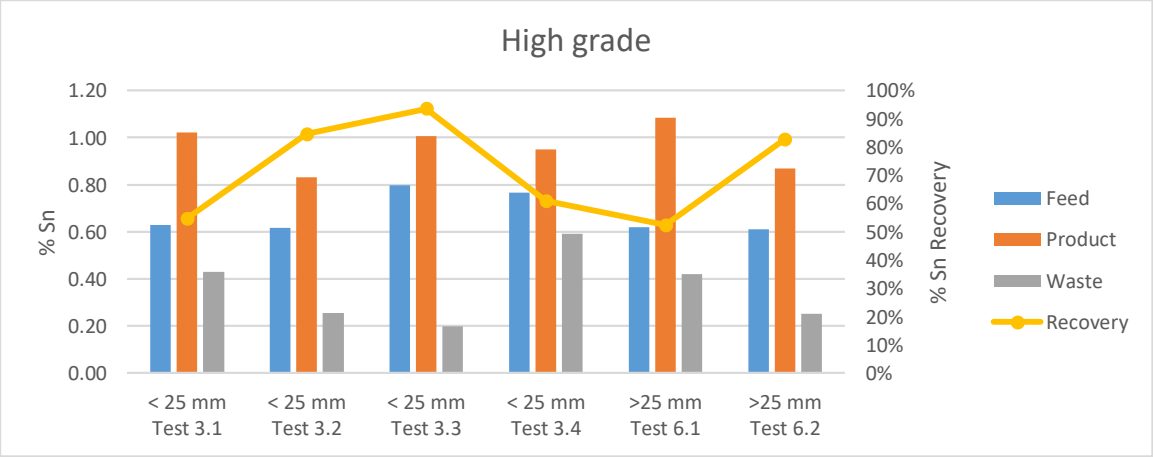


Table 1. TOMRA ore sorting test results for Oropesa

The results from the TOMRA ore sorting test program indicate the best performance is achieved on the +10mm – 25mm size fraction using the third sensitivity setting. The fines recorded an average tin feed upgrade of 15%.

For the purposes of modelling the overall performance of the ore sorting test program, each of the fines samples were re-allocated to each of the three products. Results from Setting 3 on the +10mm-25mm sample indicated that with a total tin recovery of 92% there would be an overall reduction in feed mass to a processing plant of 25% with an increase in processing plant feed grade of 24%. Higher recoveries can be expected with an increased sensitivity setting above Setting 3.

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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).

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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.

Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. Economic, environmental, permitting, legal, title taxation, socio-political, marketing or other relevant issues may materially affect the estimate of Mineral Resources.

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:

*1 - "Acquisition of the Oropesa Tin Project" released on the 31st July 2018;

The Company also confirms that all material assumptions and technical parameters underpinning the estimates in the Oropesa Mineral Resources 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.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Chris Creagh, who is a full-time employee of 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.