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Major royalties deal puts Elementos tin projects on world map.

Elementos Limited (ASX: ELT) has agreed to sell a 1% Gross Revenue Royalty (GRR) on its wholly-owned Oropesa and Cleveland tin projects to Canada's Electric Royalties Ltd for C\$500,000 cash and 1.5 million common shares (at a proposed issue price of C\$0.25 per share).

A royalty company set up to take advantage of the drive to electrification, Electric Royalties will also have an option to acquire either of the following within two years of the transaction:

- An additional 1% GRR on the Oropesa Project for C\$1.5 million, of which Electric Royalties can elect to issue up to 50% of the consideration in Electric Royalties common shares; and
- An additional 1% GRR on the Cleveland Project for C\$1 million, of which Electric Royalties can elect to issue up to 50% of the consideration in Electric Royalties common shares.

Elementos Chairman Andy Greig said the Electric Royalties transaction was "a vote of confidence" in the company's world class tin assets.

"Electric Royalties' commitment underlines how critical tin is to the new energy economy and supports our strong view that Oropesa and Cleveland are two of the world's highest quality, undeveloped tin projects," Mr Greig said.

"The non-dilutive cash proceeds enable Elementos to continue the development of both assets and sets the company up for an additional capital raising when the markets have turned."

Electric Royalties chief executive Brendan Yurik said that the deal was attractive for several reasons and beneficial for both parties.

"Ahead of going public, this transaction adds significant value to our diversified portfolio of battery mineral royalties and enriches our offer to prospective shareholders," Mr Yurik said.

"Tin, as an electrical contact material, will play a major role in the world's accelerating electrification and Elementos' projects are sizable deposits at advanced stages with all the right infrastructure in safe geographical locations."

The Oropesa Project in Spain has a JORC compliant Resource and an economic study due for completion before the end of 2020. The Cleveland Project in Tasmania is subject to an internal develop study examining options to monetise the tailings, open cut and underground tin-copper resources.

The transaction is subject to the completion of due diligence by Electric Royalties and the company's listing on the TSX-V within 60 days of execution of the agreement. The share consideration will vest in two equal increments over a 12 month period following the cash transaction.

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

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ABOUT ELEMENTOS

Listed on the ASX in 2009, Elementos is committed to the safe and environmentally-conscious exploration and production of high-grade tin resources.

Led by an experience-heavy management team and Board, Elementos is positioned as a diversified tin platform, with an ability to develop exciting projects in multiple countries.

As tin stocks hover at historic lows, the company is well-positioned to help bridge the significant supply shortfall in coming years. This shortfall is being partly driven by increasing global interest in renewable energy and electric vehicles. In 2018, Rio Tinto, through research by Boston's Massachusetts Institute of Technology (MIT), announced tin was predicted to be the metal most impacted by the transition to the new energy economy for its use in electric vehicles, robotics, renewable energy storage and advanced computation .

ABOUT ELECTRIC ROYALTIES LTD.

Electric Royalties is a royalty company set to take advantage of the demand for a wide range of commodities (lithium, vanadium, manganese, tin, graphite, cobalt, nickel & copper) that will benefit from the drive to electrification (cars, rechargeable batteries, large scale energy storage, renewable energy generation and other applications).

Electric vehicle, battery production capacity and renewable energy generation is slated to increase significantly over the next several years and with it the demand for target commodities. This creates a unique opportunity to invest in and acquire royalties over the mines and projects that will supply the materials needed to feed the electric revolution

Electric Royalties currently has a portfolio of twelve royalties under binding letter of intent and plans to focus predominantly on acquiring royalties on advanced stage projects as well as operating projects to build a diversified portfolio located in jurisdictions with low geopolitical risk.