

ELEMENTOS

TOMORROW'S TIN

11 January 2021

ASX Limited
20 Bridge Street
Sydney NSW 2000

Via email: ListingsComplianceSydney@asx.com.au

Dear Sir or Madam,

Elementos Limited ("Elementos" or the "Company", ASX:ELT) Response to ASX Aware Query

We refer to your letter dated 6 January 2021 concerning the Company's announcement entitled "Oropesa Tin Project – Drilling Progress Report" lodged on the ASX Market Announcements Platform and released at 10:57am (AEDT) on 6 January 2021 (the 'Announcement'), disclosing a drilling progress report of the Oropesa Tin Project in Spain ('Information').

In answer to the questions put to the Company in the Aware Query, we respond as follows:

1. No, the Company does not consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities. This is despite the announcement being marked by the Company as 'market sensitive' when lodging the announcement on the ASX Announcements platform. This was done in error and will be carefully reviewed in future.

It appears that the increase in price and volume of the Company's shares prior to 6 January 2021 was most likely due to the increase in the price of tin to a near-record high of over USD\$21,000 per tonne on Tuesday 5 January, 2021.

2. The Company has previously announced the plan to conduct the 47 hole drilling program on the Company's Oropesa Tin Project. The Announcement was an update to advise the assay results of the first 5 holes had been received and that drilling was continuing as planned. None of the results announced are significant in isolation, rather confirming the Company's understanding of the targeted mineralisation and continued progress to convert the existing Inferred Resources in to Indicated Resources.
3. The final assay results were received by email at 10.29pm on 31 December 2020. Management then undertook to compile and interpret the results. Once this process was completed, the draft announcement was sent to the Board for review and approval at 7.08am on 2 January 2021. Final Board comments and approval was received at 9.35am on 6 January 2021. Board comments were processed and the Announcement was lodged at 10.57am on 6 January 2021.

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4. As noted above, the Company undertook its internal review and approval processes prior to the release of the Announcement. As the Company does not believe the Announcement would have a material effect on the price or value of its securities, the Company did not request a Trading Halt prior to the release of the Announcement, nor do we believe the ASX would have granted a Trading Halt.
5. The Directors believe that the Company is in compliance with the Listing Rules and in particular, Listing Rule 3.1.
6. The Company's responses to the ASX's questions above have been authorised and approved in accordance with the Company's published continuous disclosure policy and by its board of directors.

If you have any further queries, please do not hesitate to contact me.

Yours faithfully
Elementos Limited



Duncan Cornish
Company Secretary



6 January 2021

Reference: 29366

Mr Duncan Cornish
Company Secretary
Elementos Limited

By email: dcornish@corpservices.com.au

Dear Mr Cornish

Elementos Limited ('ELT'): General – Aware Query

ASX refers to the following:

- A. The change in the price of ELT's securities from \$0.008 at the close of trade on Tuesday, 5 January 2021 to an intraday high of \$0.013 which occurred at 10:13 AM AEDT on Wednesday, 6 January 2021, representing a 62.5% increase.
- B. The significant increase in the volume of ELT's securities traded prior to 10:57 AM AEDT on Wednesday, 6 January 2021.
- C. ELT's announcement entitled "Oropesa Tin Project – Drilling Progress Report" lodged on the ASX Market Announcements Platform and released at 10:57 AM AEDT on 6 January 2021 (the 'Announcement'), disclosing a drilling progress report of the Oropesa Tin Project in Spain ('Information').
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks ELT to respond separately to each of the following questions and requests for information:

1. Noting the increase in the price of ELT's securities and increased trading volume on Wednesday, 6 January 2021 prior to 10:57 AM AEDT, does ELT consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did ELT first become aware of the Information?
4. If ELT first became aware of the Information before the release of the Announcement, did ELT make any announcement prior to the release of the Announcement that disclosed the Information. If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ELT was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ELT took to ensure that the information was released promptly and without delay, including why the Announcement was released at 10:57 AM AEDT on Wednesday, 6 January 2021 after market open and why a trading halt was not utilised if the Announcement was not in a form ready for release prior to market open.
5. Please confirm that ELT is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ELT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ELT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AEDT Monday, 11 January 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ELT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ELT to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ELT's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ELT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ELT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that ELT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

James Fisher
Compliance Adviser, Listings Compliance (Sydney)