

19 April 2021

Elementos completes capital raising to continue the development of the Oropesa Tin Project amid strong tin prices.

Elementos Limited (ASX: ELT, **Elementos**, or the **Company**) is continuing to progress the development of its wholly owned Oropesa Tin Project in Spain after receiving firm commitments from institutional, sophisticated and accredited investors to raise a total of \$6.1 million before costs (**Placement**).

Fully paid ordinary shares (**Shares**) will be issued under the Placement at an issue price of \$0.01 per Share with participants also receiving options to acquire Shares, on a one for two basis, with an exercise price at \$0.015 per share and expiring 30 April 2022 (**Options**). BW Equities acted as Lead Manager to the Placement.

Tin metal supply disruptions and strong demand driven by global economic stimulus have pushed the LME tin prices to ten year highs trading over US\$28,000 per tonne compared to US\$13,450 per tonne a year ago (www.lme.com – 8 April 2021 & March 2020).

Elementos' Chairman, Mr Andy Greig, said the capital raising would be used to bring the Company's current 48-hole drilling program to a close and fund the completion of the optimisation program designed to unlock further value in the project.

"Oropesa is one of few globally significant, open-cut mineable tin deposits in the world," Mr Greig said.

"At a time when the gap between tin supply and demand is widening due to increasing consumption of electronic equipment and tin chemicals, Elementos is committed to bringing this project to life sooner rather than later.

"The recent appointment of Joe David as our new Chief Executive Officer, who has a track record in taking projects from concept through to completion as well as over 5 years' experience in corporate finance, reflects this commitment," he said.

Mr Greig said the drilling and optimisation plan at Oropesa was designed with the aim to increase the project's overall resource, annual production and mine life.

"The aim of the current program is to enhance the project's economics by upgrading the size of the existing resource and increasing the confidence for the project," Mr Greig said.

"Following the completion of these optimisation works, a new JORC Mineral Resource Estimate will be prepared and will add to the feasibility study work and ongoing environmental permitting activities.

An Economic Study completed in May 2020 demonstrated Oropesa's attractive economics as a globally significant new tin development with a prospective annual production of 2,440 tonnes over a 14-year mine life.

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At a tin price of US\$19,750/tonne, the mine could potentially generate an annual gross revenue of more than US\$48 million against a forecast operating cost of US\$28 million per year or cash cost of US\$11,800/tonne of metal. The estimated capital development cost is US\$52.2m including a 20% contingency.

In addition, the Placement will be used to advance the project's Environmental Application ahead of completing a Pre-Feasibility Study.

Exploration surveys and drilling of new targets at the Company's wholly owned Cleveland Tin Project in Tasmania are also planned. A geological review conducted in February 2021 identified a prospective region approximately 500m in length to the immediate north-east and along strike of the existing mineral resource.

Conversion of Chairman's Loan

Elementos currently has an outstanding balance of \$569,246 (including accrued interest) in relation to a loan facility provided by the Chairman, Mr Andy Greig. In parallel with (and in addition to) the Placement process, Mr Greig and the Company (with Mr Greig abstaining)(the **Parties**) have agreed, subject to shareholder approval, to convert the total outstanding loan balance of \$569,246 to equity, on the same terms as the Placement. In order to facilitate the shareholder approval and conversion process the Parties have agreed to extend the loan maturity date to 30 June 2021.

Equity to be issued

The Placement price of \$0.01 represents a 16.7% discount to the last close price of \$0.012 and a 9.9% discount to the 5-day volume weighted average price leading up to the announcement of the Placement. The below table confirms the number of Shares and Options proposed to be issued under the Placement and loan conversion arrangements:

	Shares issued under 7.1	Shares issued under 7.1A	Options issued under 7.1	Shares to be issued subject to shareholder approval*	Options to be issued subject to shareholder approval*
Issued under the placement	217,514,874	326,485,126	272,000,000	66,000,000	33,000,000
Broker options	-	-	-	-	45,000,000
Conversion of Loan	-	-	-	56,924,600	28,462,300
Total	217,514,874	326,485,126	272,000,000	122,924,600	106,462,300

* The Company plans to call an Extraordinary General Meeting of shareholders to approve the above issue of shares and options at the earliest convenience.

The Company has lodged an ASX Appendix 3B and will lodge an ASX Appendix 2A and a cleansing statement pursuant to section 708A(5)(e) and (6) of the Corporations Act on completion of the Placement.

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.

Competent Persons Statement:

The information in this report that relates to the Annual Mineral Resources and Ore Reserves Statement, Exploration Results and Exploration Targets is based on information and supporting documentation compiled by Mr Chris Creagh, who is a consultant to 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.

References to Previous Releases

References to Previous Releases

The information in this report that relates to the Mineral Resources and Ore Reserves were last reported by the company in compliance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Mineral Resources, Ore Reserves, production targets and financial information derived from a production target were included in market releases dated as follows:

- Acquisition of the Oropesa Tin Project, 31st July 2018
- Oropesa Ore Sorting Testwork, 9th August 2019
- Exploration Evaluation at Oropesa Tin Project, 4th February 2019
- Oropesa Presentation – Seville, Spain, 18th October 2019
- Positive Economic Study for the Oropesa Tin Project, 7th May 2020
- Oropesa optimisation work and drilling to unlock further value, 13th July 2020

The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to above and further confirms that all material assumptions underpinning the production targets, forecast financial information derived from a production target and all material assumptions and technical parameters underpinning the Ore Reserve and Mineral Resource statements contained in those market releases continue to apply and have not materially changed.