

9 April 2021

Strengthening tin price supports project development.

Elementos Limited's (ASX:ELT) strategy to become a significant tin producer is gathering strong momentum as it pushes ahead with development strategies at both its wholly owned projects at a time when the LME tin metal price is reaching ten year highs.

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 Andy Greig said the strong tin price was driving a substantial increase in the value of both the Oropesa and Cleveland tin projects.

"In 2020, we completed an economic study on the Oropesa Tin Project which derived a pre-tax NPV of US\$94 million based on a tin price of US\$19,750 per tonne. Today that pre-tax NPV has increased to US\$228 million based on a tin price of US\$26,500 (see, Figure 1 below)", Mr Greig said.

"Further, the current drilling program which has reached the halfway point, is meeting the objective of converting near-surface Inferred Resources to Indicated Mineral Resources and further enhancing the project value beyond just the increase in the tin price".

"This is an extremely exciting time to be involved in one of few, globally significant, open-cut mineable tin deposits in the world," he said.

Elementos is also progressing its Oropesa permitting program including the updated Environmental Impact Application (EIA). A number of supplemental environmental studies are being completed by top tier environmental consultants ERM.

Rising tin prices have prompted the company to fast track its work programs at its wholly owned Cleveland Tin Project in Tasmania. A recent regional geological and field program has identified new tin mineralisation. A drilling program is being planned later this year. This follows the company's drilling program in 2018 which defined a significant, high-grade, open cut tin mineral resource.

Tin Price

The tin price has experienced a significant improvement over the last 12 months, rising from a low of US\$13,450/t in March 2020 to near ten-year highs of greater than US\$28,000/t (www.lme.com – 8 April 2021). The price increase has been driven by increased demand in downstream markets which is outstripping supply. The rollout of global COVID-19 vaccination programmes and the US government stimulation packages has renewed confidence in the manufacturing sector. Significant growth is currently being experienced in the

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manufacture and sale in Europe, China and the USA of electronic equipment (solder) and tin chemicals for residential PVC markets, particularly in the USA.

Global supply shortages due to falling production from some prominent mining districts has been exaggerated by congestion and delays resulting from the impact of COVID-19 on international logistic systems.



Figure 1. LME Tin Price for 10 year period from 21 March 2011 (www.LME.com – 23 March 2021)

Oropesa Tin Project

The Oropesa Project Economic Study completed in May 2020, positioned the project as a low cost, globally significant new tin development with a prospective annual production of 2,440 tonnes of tin-in-concentrate over a 14-year mine life. The Economic Study demonstrated a base case pre-tax NPV8% of approximately US\$94m and post tax NPV8% of approximately US\$68m. The pre-tax Internal Rate of Return is approximately 25.8% and the payback period is approximately four years based on a tin price of US\$19,750 per tonne.

Over the last twelve months the LME tin price has increased to almost ten-year highs, trading at over US\$28,000 per tonne (www.LME.com – 8 April 2021). This has significantly enhanced the value of the project. Figure 2 demonstrates the project net present value sensitivity to changes in the LME tin metal price.

The 5,000m exploration drilling program is now 50% complete (25 out of 48 holes) and meeting its objective of converting near-surface Inferred Resources into Indicated Mineral Resources. The aim of the drilling program is to enhance the project's economics by upgrading the size of the existing resource and lowering the overall waste to ore ratio for the project

Net Present Value 8%

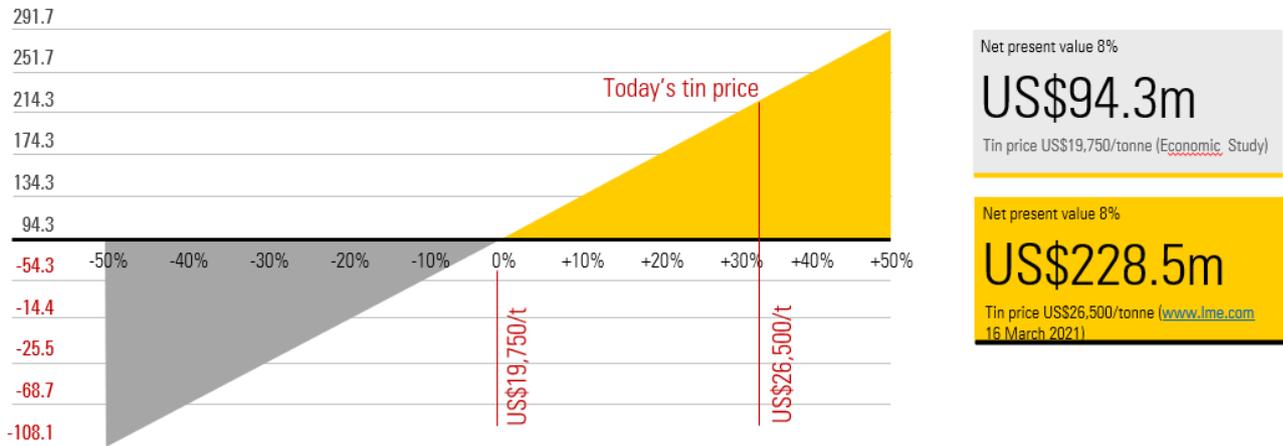


Figure 2: Oropesa Economic Study NPV Sensitivity to Tin Price

Significant assays previously reported from the drilling program include:

Drill Hole	Length (m)	% Sn	From (m)
ADD_01A	10.5	0.27	94.9
ADD_01A	2.3	0.63	122
ADD_01A	9.9	0.69	200.5
ADD_01A	0.6	4.36	209.8
Expn_010	12.3	0.53	37.7
Expn_010	10.6	0.38	83.2
Expn_010	17.9	0.22	106.9
Expn_010	13.3	0.26	183.2
Expn_010	6.3	0.34	199.1

Drill Hole	Length (m)	% Sn	From (m)
Expn_013	10.4	0.37	65.1
Expn_019	31.1	1.49	113.3
Expn_019*	6.1	4.85	133.6
Expn_019	1.4	8.02	135.8
Expn_022	41.9	0.20	132.9
Expn_043	4.8	0.30	22.0
Expn_044	14.5	0.38	43.0
Expn_047A	7.1	0.33	10.3
P53	1.2	0.24	188.9

* Result includes 1.0m @ 12.9% Sn from 133.6m

In March 2019, the Andalusian Ministry of Agriculture, Fisheries, Livestock and Sustainable Development (“Junta”) notified Elementos of some improvements and modifications that were required to the Exploitation Licence application and Environmental Impact Study (“EIS”), including:

- Reduce the size of the project footprint to limit the overall impact of the project on the environment;
- Develop a detailed waste management plan for mine waste rock and tailings. This includes specific plans for the potential of waste material to generate acid during rainfall events;
- More specific details on options for a closeout plan, with particular reference to the ratio of transplanted mature oak trees to new trees planted; and
- The proposed mining operation is within a conservation zone (ZEPA) that has a specific conservation program for steppe birds. The project area is located on agricultural land that is used for grazing and cropping, however there are specific bird species that have adapted to the altered environment (man-made) that are found within the project area. The original EIA did not provide sufficient ecological data on a particular steppe bird to allow the formulation of a management plan that was acceptable to the Ministry. A revised ecosystem study designed to fulfil the requests of the Junta has commenced.

Global environmental consultancy firm, Environmental Resource Management, was appointed in late 2020 to complete the final stages of the EIA process. The studies are on track to be completed in the next few months and the EIA lodged Quarter 2, 2021.

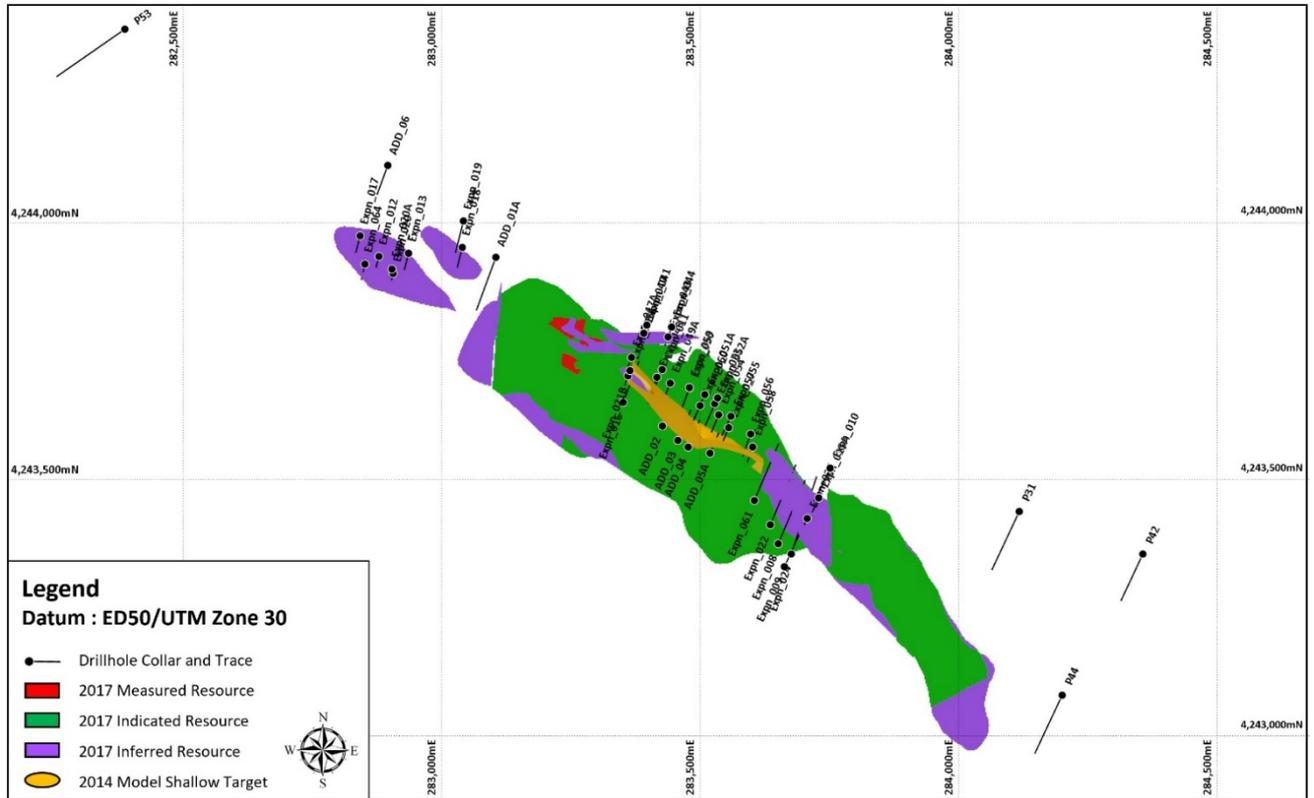


Figure 3. Plan of Oropesa geological resource depicting the location of completed diamond drill holes and proposed diamond drill hole for the current drilling campaign.

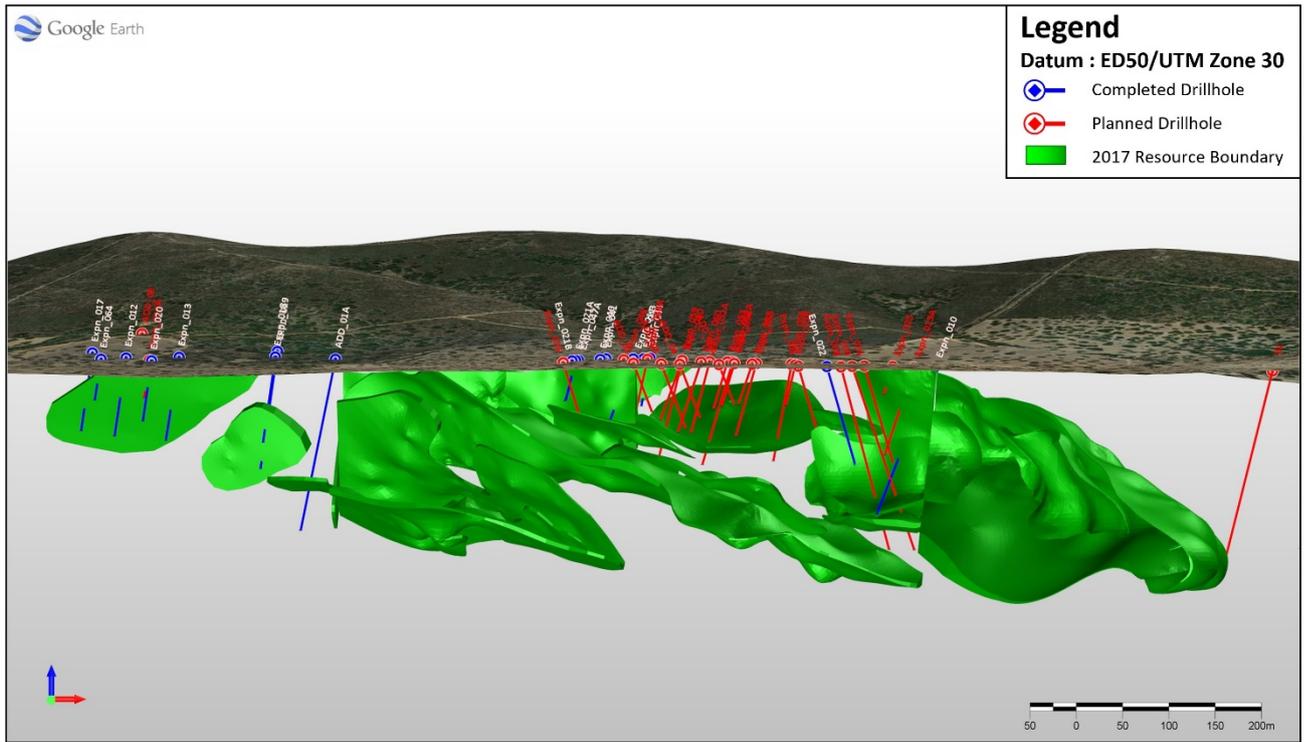


Figure 4. 3D view of the Oropesa geological resource looking north. Completed and planned diamond drilling shown.



Figure 5. Exploration diamond drilling at Oropesa 2021 (ADD_03)

Cleveland Project, Tasmania

The Cleveland project contains a significant resource of tin-copper amenable to both open cut and underground mining techniques, located in a world-class mining district with excellent infrastructure.

Elementos has undertaken a regional geological review looking for opportunities to identify further tin mineralisation following the successful delineation of a high-grade, open-cut mineable tin resource from its 2018 drilling program.

A prospective region approximately 500m in length to the immediate north-east and along strike of the existing mineral resource has been identified. The prospective area contains historic Self-Potential (geophysical anomalies from a survey carried out by the Bureau of Mineral Resources (Geoscience Australia) in 1954, which have not historically been investigated in any detail.

Reconnaissance mapping of the prospective region has confirmed the presence of the geological mine sequence hosting the Cleveland mineral resources. Rock chip samples containing visible sulphide mineralisation were identified at four of the five locations investigated, the most significant assay being 0.7% Sn, 0.57% Cu & 13.4% Zn from sample 130403.

Corporate Update

Spain

Elementos advises that the company's wholly owned subsidiary, Minas de Estano De Espana (Mespa), being the holder of the company's Oropesa Project, has been served with legal proceedings in Spain in relation to alleged historic actions of a former subsidiary of Mespa, Minas De Estano D Extremadura, S.L. (Mesex) in 2015 (Proceedings).

While the Proceedings are currently at a preliminary stage, the Proceedings make various allegations in relation to the acts of, among others, Eurotin (the former owner of the Oropesa Project) and its subsidiary Stannico Resources Inc (Stannico) in respect of their respective dealings with a separate Spanish Lithium Project, which was held by Mesex.

The Proceedings do not relate to the Oropesa Project and do not seek to challenge its validity or ownership. However, we understand that Mespa has been joined as it had originally incorporated Mesex in February 2011 before subsequently transferring all of those shares to Stannico in October 2011, with the alleged actions purported to have occurred in 2015.

The Proceedings have been commenced by a former project partner of Stannico and Eurotin, who, the company has been informed, previously spent time in jail for fraudulent disposal of assets. While the Proceedings are ambiguous and the company has received legal advice from local lawyers that they are without merit, it appears that the only association between Mespa and the relevant actions the subject of the Proceedings is that Mespa originally incorporated Mesex.

Despite having received legal advice that the claim is frivolous, Mespa will need to defend the Proceedings – which it intends to do. Any material developments in respect of the Proceedings will be provided to the market as necessary.

Chairman's Loan Update

Elementos Chairman, Mr Andy Greig, has advised that he will exercise 30,303,030 share options currently held with an exercise price of 0.9 cents per option and expiry of 31 August 2022. The Board (with Mr Greig abstaining) has agreed to convert \$272,727 of the current outstanding loan balance of \$750,000 owing to Mr Greig to fund the exercise of the share options.

Offtake Partners

Elementos has been fielding significant interest in the proposed tin concentrate offtake that will be generated when Oropesa is brought into production. The company is assessing its strategy regarding offtake and marketing of its proposed concentrate as this can be a critical part of the project finance and overall funding negotiation.

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

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:

- *1 - Acquisition of the Oropesa Tin Project, 31st July 2018
- *2 - Substantial Increase in Cleveland Open Pit Project Resources following Revised JORC Study, 26 September 2018
- *3 - Exploration Evaluation at Oropesa tin project, 4th February 2019
- *4 - Positive Economic Study for the Oropesa Tin Project, 7th May 2020
- *5 - Oropesa optimisation work and drilling to unlock further value, 13th July 2020
- *6 - Oropesa Tin Project – Drilling Progress Report, 6th January 2021
- *7 - Oropesa Tin Project – Drilling Progress Report, 19th January 2021
- *8 - Oropesa Tin Project – Drilling Progress Report, 8th February 2021
- *9 - Cleveland Tin Project – Exploration re-commences, 4th March 2021
- *10 - Oropesa Tin Project – Drilling Progress Report, 17th March 2021
- *11 - Oropesa Tin Project – Drilling Progress Report, 22nd March 2021

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 above and further confirms that all material assumptions underpinning the production targets 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.