

ELEMENTOS

TOMORROW'S TIN

QUARTERLY REPORT

For the period ended 30 June 2021



Elementos is a tin development company focused on the development of high-grade tin projects in stable jurisdictions with a long history of mining.

The Company's asset portfolio comprises both near-term development and exploration assets, including:

- **Oropesa Project, Spain** – one of the world's largest undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. Oropesa is an advanced tin project with near term development and cash flow potential.
- **Cleveland Project, Tasmania** – 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. Additionally, the project hosts tungsten mineralisation at depth.

QUARTER HIGHLIGHTS

- 5,210m of resource definition diamond drilling program (>92%) completed. Intersecting high grade tin mineralisation and confirming mineralisation continuity
- Commencement of feasibility development programs at Oropesa to further mature project data in preparation of Definitive Feasibility Study (DFS)¹⁶
- Cleveland Tin Project drilling program to be co-funded (up to \$70k) by Tasmanian Government¹⁸
- Oropesa environmental studies and exploitation license application nearing completion prior to lodgment

POST-QUARTER

- Commencement of Oropesa Definitive Feasibility Study (DFS)²⁰ to accelerate project development
- Completion of resource definition diamond drilling program (100%, Totaling 5,650 m)

OROPESA PROJECT

Located in southern Spain, the Oropesa Tin Project is one of the world's largest undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. It is planned to be our first mining operation.



Figure 1. Oropesa Tin Project - Location Plan

Mineral Resource Program

During the quarter, the company continued the diamond drilling exploration program at Oropesa that commenced during the 4th quarter of 2020. The program's principal objectives are:

1. To upgrade the confidence of existing Inferred Resources to a higher JORC Classification.
2. Confirm near surface, possibly fault controlled mineralisation that is not currently included in the 2017 geological resource model.
3. Investigate additional near surface resources from exploration targets identified from Induced Polarisation (IP) geophysical survey anomalies.
4. Estimate a new JORC Geological Resource as part of a wider optimisation program designed to increase the project's overall resource, annual production rate and mine life.

The drilling component of the program was completed after the end of the quarter, with a total of 46 diamond drill holes being drilled for 5,654m (at the end of the

reporting quarter 5,210m). The drilling program has been progressively modified from the original plan as results were interpreted from completed drill holes. At the time of reporting, analytical assays for 29 of the completed drill holes had been received from ALS laboratories in Spain and Ireland, all of which have been separately reported to the ASX.

Significant assays previously reported from the drilling programme are shown in Table 1.

Project Permitting

Elementos continued with ongoing advancement of the resubmission of the Oropesa project's Environmental Authority application and Exploitation Licence submission. This involves the completion of a number of surveys, sub-studies, information requests, resubmission to the relevant government authority, and associated statutory obligations.

Start of Feasibility Development Programs

During the quarter, the commencement of a series of development work programs was announced¹⁶ to materially progress the project. The programs consist of metallurgical, geotechnical, and hydrogeological on-ground investigations, followed by laboratory test work and engineering studies. These programs will optimise the previously identified opportunities, mitigate identified risks, and generally increase the maturity level of engineering for the project, including:

Pilot scale metallurgical test work – Wardell Armstrong (UK)

- Two tonne pilot test
- Confirmation of process plant flowsheet

Geotechnical works program

- 10 vertical drill hole program
- Geotechnical logging
- Downhole geophysics laboratory test work
- Optimisation of pit slope design criteria

Hydrogeological (groundwater) works program

- Bore hole drilling
- Pump tests
- Realtime data logging
- Groundwater modelling
- Water quality test work

Variability metallurgical test work

- Bench scale test work on variable ore types and grades
- Finalisation of metallurgical upgrade regressions for process plant modeling

Definitive Feasibility Study (DFS)

Subsequent to the end of the reporting period the company announced²⁰ that it was committing to complete a Definitive Feasibility Study (DFS) on the Oropesa Tin Project.

This decision was taken in recognition of the maturity of project data and the extensive work undertaken to date, the data that will be acquired during the feasibility development programs, and to take advantage of the opportunity to accelerate the development timeframe of the Project in a strong tin market.

Spain Country Management

The management of Spanish in-country activities continues to be lead by Soluciones, Concentradores Y Procesos de Ingeniería, S.L., (SCYPI). SCYPI has an experienced Spanish project management team led by Elementos Project Manager Emilio Hormaeche.

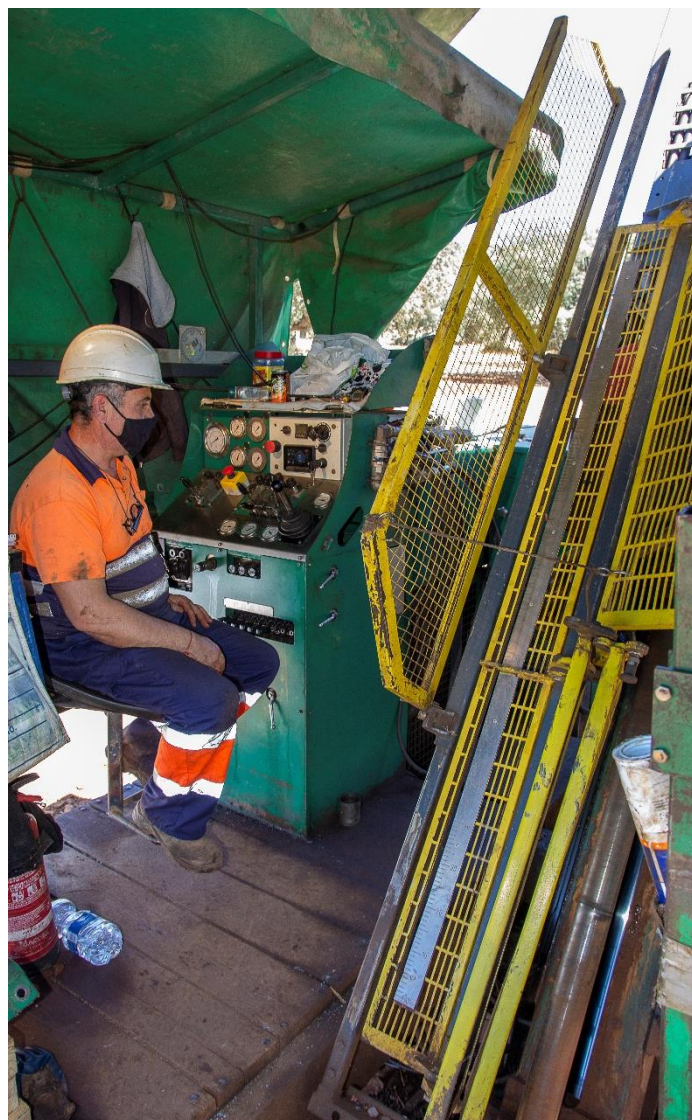


Figure 2. The drilling component of the program was completed after the end of the quarter, with a total of 46 diamond drill holes being drilled for 5,654m

Hole ID	Intercept	Hole ID	Intercept
ADD_01A	10.5m @ 0.27% Sn from 94.9m	Expn_016	2.7m @ 0.39% Sn from 74.3m
	2.3m @ 0.63% Sn from 122.0m		33.3m @ 0.22% Sn from 92.0m
	9.9m @ 0.69% Sn from 200.5 m,		15.1m @ 0.53% Sn from 138.4m
	<i>including 0.6m @ 4.36% Sn from 209.8m</i>	Expn_019	31.1m @ 1.49% Sn from 113.3m,
ADD_02	12.9m @ 0.18% Sn from 45.5m		<i>which includes 1m @ 12.9% Sn from 133.6m</i>
	4.5m @ 0.16% Sn from 62.0m		<i>and 1.4m @ 8.02% Sn from 135.8m</i>
ADD_03	2m @ 0.24% Sn from 16.3m	Expn_020	3.9m @ 0.63% Sn from 36.5m
	19.2m @ 0.18% Sn from 37m	Expn_020A	6.8m @ 0.38% Sn from 37.4m
	8.7m @ 0.26% Sn from 61.8m	Expn_021A	7.1m @ 0.22% Sn from 43.2m
	5.5m @ 0.41% Sn from 88.8m	Expn_021B	9.8m @ 0.22% Sn from 19.5m
ADD_17A	1.1m @ 0.63% Sn from 134.0m	Expn_022	41.9m @ 0.20% Sn from 132.9m
Expn_010	12.3m @ 0.53% Sn from 37.7m	Expn_040	9.6m @ 0.20% Sn from 48.2m
	10.6m @ 0.38% Sn from 83.2m	Expn_041	2.2m @ 0.40% Sn from 48.9m
	17.9m @ 0.22% Sn from 106.9m	Expn_043	4.8m @ 0.30% Sn from 22.0m
	13.3m @ 0.26% Sn from 183.2m	Expn_044	14.5m @ 0.38% Sn from 43.0m
	6.3m @ 0.34% Sn from 199.1m	Expn_047A	7.1m @ 0.33% Sn from 10.3m
Expn_010A	12.5m @ 0.8% Sn from 36.3m	Expn_052A	9.0m @ 0.3% Sn from 84.6m
	6.7m @ 0.31% Sn from 67.1m		10.1m @ 0.24% Sn from 124.1m
	15.9m @ 0.28% Sn from 100.6m	Expn_057	16.5m @ 0.23% Sn from 19.4m
Expn_011	14.2m @ 0.25% Sn from 55.4m		5.5m @ 0.39% Sn from 42.7m
	3.1m @ 0.24% Sn from 77.0m	Expn_059	15.1m @ 0.44% Sn from 118.3m
Expn_012	1.3m @ 0.39% Sn from 51.4m	Expn_060	22.9m @ 0.28% Sn from 6.1m
Expn_013	10.4m @ 0.37% Sn from 65.1m		8.6m @ 0.21% Sn from 59.0m
Expn_015A	3.6m @ 0.77% Sn from 22.9m		22.6m @ 0.23% Sn from 69.4m
	13.6m @ 0.32% Sn from 31.5m	P42	2.5m @ 0.22% Sn from 118.6m
	7.6m @ 0.53% Sn from 119.5m	P53	1.2m @ 0.24% Sn from 188.9m

Table 1. 2020-21 diamond drilling significant intercepts from 29 drill holes as at 16 June 2021

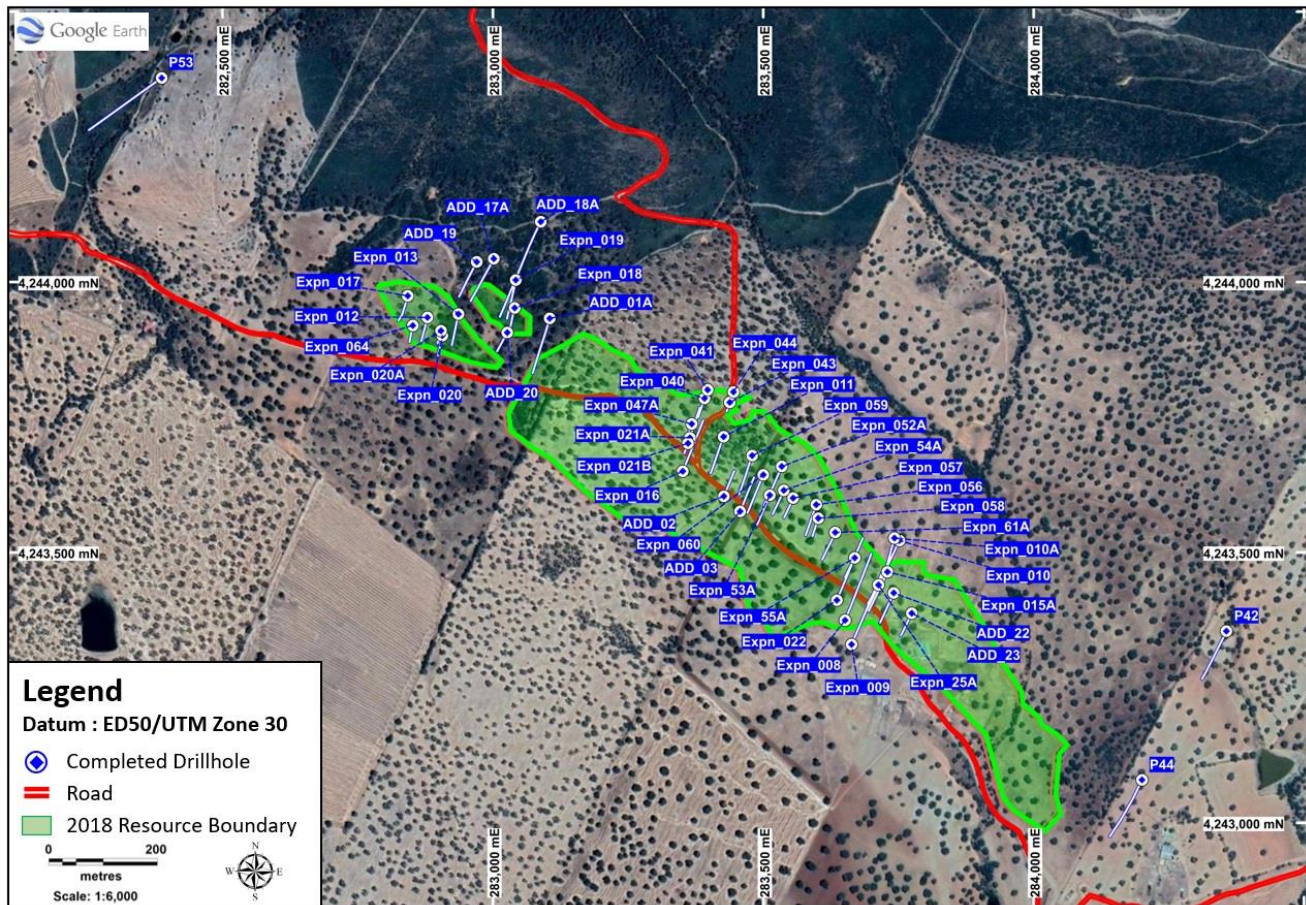


Figure 3. Location Plan for Diamond Drill Holes Completed as at 14 July 2021 2020 – Oropesa Tin Project, Spain

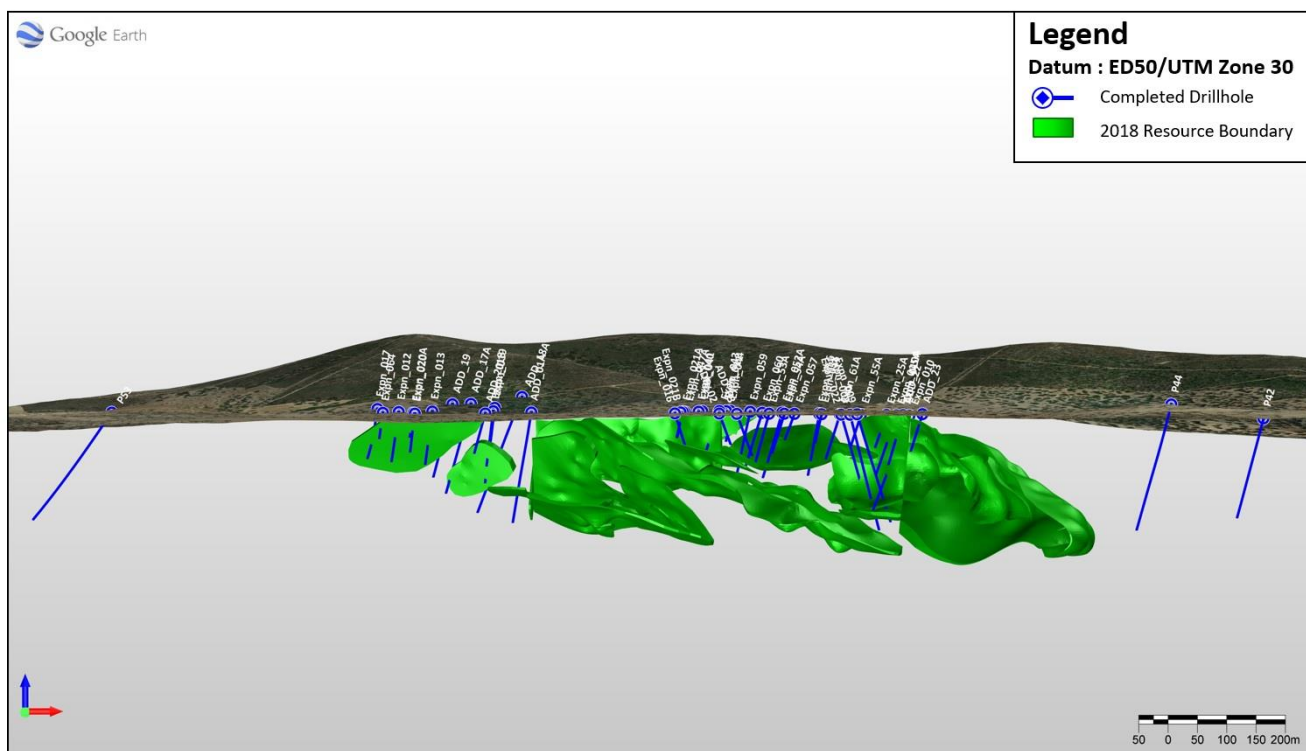


Figure 4. 3D view of the 2018 Oropesa geological resource looking north. Completed 2020-21 diamond drilling shown.

Hole ID	Easting ED50 Zone 30	Northing ED50 Zone 30	RL	Easting ETRS89 Zone 30	Northing ETRS89 Zone 30	Azimuth (grid)	Dip	Total depth (m)	Longitude	Latitude
P53	282387.4	4244377	653	282276.9	4244172	235	-50	250	-5.4905	38.3192
Expn 017	282842.4	4243975	641	282731.9	4243769	194	-60	100	-5.4852	38.3157
Expn 012	282878.8	4243935	634	282768.3	4243729	195	-60	100	-5.4847	38.3154
Expn 064	282851.8	4243920	632	282741.2	4243714	193	-56	55.1	-5.4850	38.3152
Expn 020	282906.3	4243901	630	282795.8	4243696	194	-60	77.6	-5.4844	38.3151
Expn 011	283426.7	4243714	625	283316.1	4243508	202	-46	103.8	-5.4784	38.3135
Expn 021A	283364.4	4243712	623	283253.9	4243506	200	-55	53	-5.4791	38.3135
Expn 021B	283360.6	4243702	622	283250.1	4243496	20	-55	120	-5.4792	38.3134
Expn 010	283751.6	4243522	608	283641	4243316	205	-48	220.9	-5.4746	38.3119
Expn 040	283391.1	4243785	627	283280.6	4243579	199	-59	71.5	-5.4788	38.3142
Expn 041	283397.2	4243801	628	283286.6	4243595	199	-67	60.1	-5.4788	38.3143
Expn 043	283438.1	4243778	627	283327.6	4243572	199	-64	41.4	-5.4783	38.3141
Expn 044	283444.9	4243797	628	283334.4	4243591	199	-62	60	-5.4782	38.3143
Expn 047A	283367.5	4243738	624	283257	4243532	200	-47	62.3	-5.4791	38.3137
Expn 022	283635.9	4243412	605	283525.3	4243206	23	-53	210	-5.4759	38.3109
Expn 018	283040.1	4243952	636	282929.5	4243747	194	-60	109.6	-5.4829	38.3156
ADD 01A	283105	4243933	632	282994.5	4243727	200	-60	219.7	-5.4822	38.3154
Expn 013	282936.1	4243941	635	282825.6	4243735	194	-57	110	-5.4841	38.3154
Expn 019	283042.3	4244004	643	282931.8	4243798	194	-60	150.5	-5.4829	38.3160
Expn 020A	282904	4243910	631	282793.5	4243704	194	-60	48.4	-5.4844	38.3152
Expn 059	283479.5	4243679	622	283369	4243473	200	-56	139.2	-5.4778	38.3132
ADD 02	283427	4243604	616	283316.5	4243398	23	-45	71.9	-5.4784	38.3125
ADD 03	283457	4243576	614	283346.5	4243370	23	-45	96.5	-5.4780	38.3123
Expn 016	283351.1	4243650	618	283240.6	4243444	21	-49	156.2	-5.4793	38.3129
P42	284356.4	4243354	595	284245.9	4243149	205	-60	200.2	-5.4677	38.3105
P44	284200.4	4243079	607	284089.9	4242874	205	-60	250	-5.4694	38.3080
Expn 060	283500.1	4243644	619	283389.5	4243438	204	-52	124.4	-5.4775	38.3129
Expn 052A	283534	4243659	620	283423.5	4243453	204	-55	139.2	-5.4772	38.3131
Expn 057	283555.2	4243601	615	283444.7	4243395	203	-49	60.7	-5.4769	38.3125
Expn 010A	283742.5	4243527	609	283632	4243321	196	-55	116.5	-5.4747	38.3119
Expn 015A	283729.5	4243464	606	283618.9	4243258	204	-52	131.7	-5.4749	38.3113
ADD 17A	283001.6	4244043	652	282891	4243837	210	-60	179.6	-5.4834	38.3164
ADD 19	282970.1	4244037	651	282859.5	4243832	210	-60	146.3	-5.4837	38.3163
ADD 18A	283088.5	4244112	666	282978	4243906	207	-46	280.2	-5.4824	38.3170
ADD 20	283026.6	4243907	630	282916	4243701	210	-60	80.2	-5.4830	38.3152
Expn 058	283601.7	4243563	613	283491.2	4243357	199	-55	61.2	-5.4764	38.3122
Expn 056	283597.8	4243588	614	283487.3	4243383	199	-61	122.9	-5.4764	38.3124
Expn 61A	283633	4243537	611	283522.5	4243331	204	-55	95.9	-5.4760	38.3120
Expn 55A	283669	4243490	608	283558.5	4243284	204	-55	70.2	-5.4756	38.3116
Expn 25A	283713	4243440	606	283602.5	4243234	204	-55	69.8	-5.4751	38.3111
Expn 53A	283512	4243606	615	283401.5	4243400	204	-55	104	-5.4774	38.3126
Expn 54A	283538	4243615	616	283427.5	4243409	204	-55	84.8	-5.4771	38.3127
Expn 009	283663.2	4243330	603	283552.7	4243124	25	-51	229.1	-5.4756	38.3101
Expn 008	283651.1	4243375	604	283540.6	4243169	23	-56	233.2	-5.4757	38.3105
ADD 22	283741.2	4243425	605	283630.7	4243220	204	-55	106.1	-5.4747	38.3110
ADD 23	283774.5	4243388	605	283663.9	4243182	204	-55	80	-5.4743	38.3107

Table 2. Oropesa diamond drill hole collar data – completed 2020-21 drilling program

CLEVELAND PROJECT

The Cleveland Tin Project is located 80km southwest of Burnie in the mineral-rich northwest region of Tasmania, Australia. It is a historic underground mine site boasting excellent power, water and transport infrastructure.

The JORC geological resource for Cleveland contains 7.47mt at 0.75% Sn and 0.3% Cu (Indicated: 6.23mt at 0.75% Sn and 0.3% Cu, Inferred: 1.24mt at 0.76% Sn and 0.3% Cu)⁹.

Exploration at Cleveland recommenced in the first quarter of 2021 following a prolonged period of travel restrictions due to the COVID-19 pandemic. Activity has focused on a prospective region approximately 500m in length to the immediate northeast and along strike of the existing geological resource. The area under investigation contains a set of historic Self-Potential (SP) 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 (not drill tested).

Reconnaissance mapping of the prospective region has confirmed the presence of the Cleveland geological mine sequence (Halls Formation and adjacent Crescent Spur Sandstone) with rock chip samples containing visible sulphide mineralisation at four of the five locations investigated, the most significant assay being 0.7% Sn, 0.57% Cu, & 13.4% Zn from sample 130403 (Figure 6).



Figure 5. Cleveland Project Location Plan

A diamond drilling program comprising four drill holes, totalling 1000m, has been planned to test the SP anomalies. The proposed drilling program was submitted to Mineral Resources Tasmania for consideration by the Tasmanian Government for a grant under the Tasmanian Exploration Drilling Grant Initiative program.

The grant application was successful¹⁸, comprising \$50,000 to co-fund direct drilling costs and \$20,000 for helicopter support if required.

A standard Work Program Approval application has been lodged with Mineral Resources Tasmania for the drilling program.

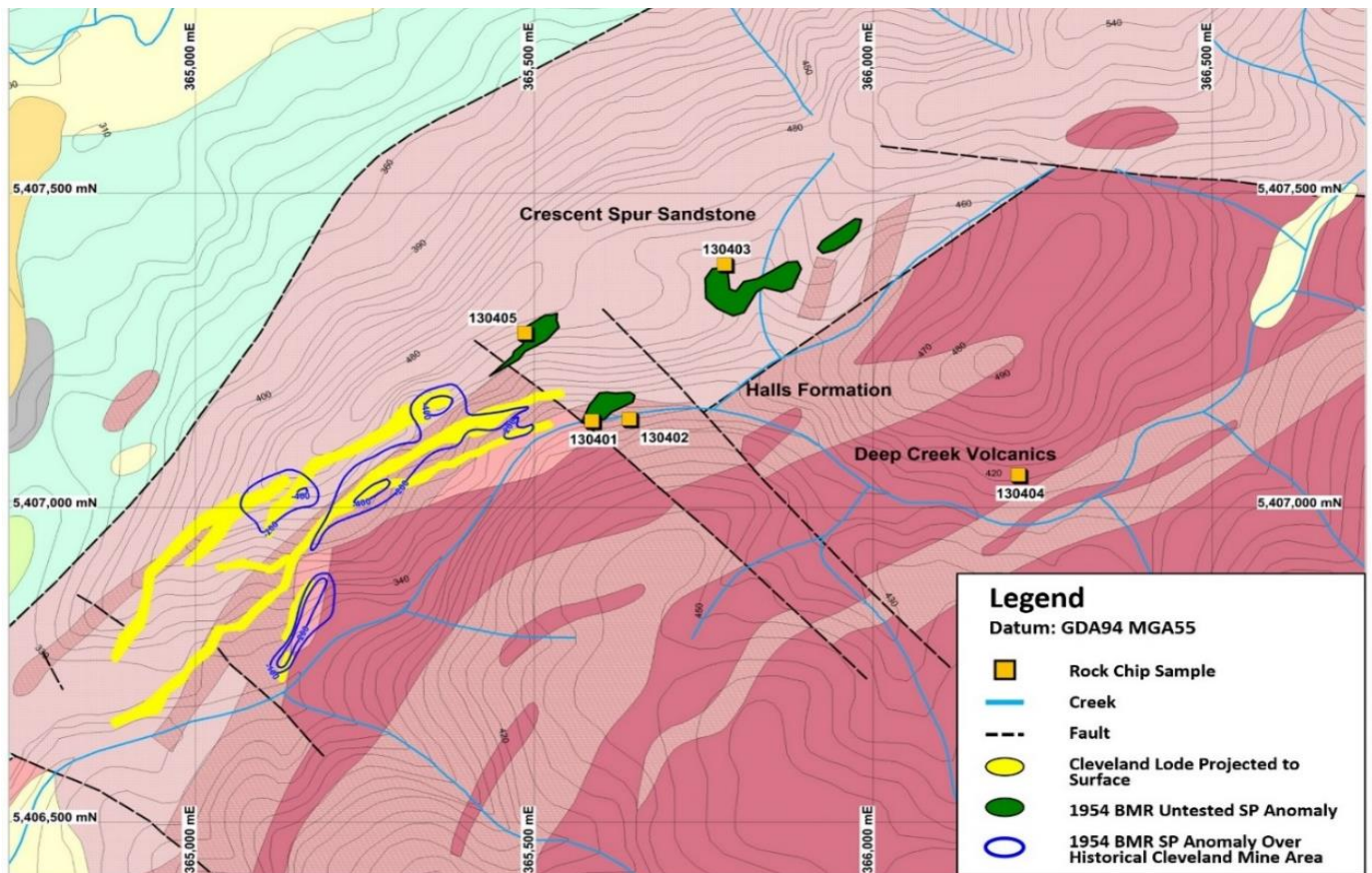


Figure 6. Cleveland Tin Mine mine sequence highlighting the surface projection of the geological resource with superimposed SP anomalies (in blue) and untested SP anomalies (in green) to the northeast of the historical workings.

CORPORATE

Appointment of New CEO

The Company announced¹² the appointment of a new CEO, Mr Joe David. Mr David is experienced in project development, project delivery and capital markets. His skills will provide an ideal foundation to drive the company's projects through development and into production.

Elementos completes \$6.1 million capital raising

Elementos completed a \$6.1 million capital raising (before costs) after receiving firm commitments from institutional, sophisticated and accredited investors. These funds will be used to continue to progress the development of the company's wholly owned Oropesa Tin Project in Spain and continue the exploration and assessment of the Cleveland Project in Tasmania¹³.

An amount of \$660,000 of the total capital raise was subject to shareholder approval at the EGM held on 6 July 2021. Following approval the shares and options were issued subsequent to quarter end^{19,21}.

Tin Price

The tin cash settlement price rose by approximately 22% during the reporting period. The LME tin price at the end of reporting period was US\$33,460/t (www.LME.com 30 June 2021). Post quarter end, the LME tin cash settlement price reached all time highs of US\$35,101/t.

The price increase appears to have been driven by increased demand in downstream markets which is outstripping supply. Global supply shortages are due to falling production from some prominent mining districts and have been exaggerated by congestion and delays resulting from the impact of COVID-19 on metal smelters and the international logistic systems.

Exploration Tenements

Tenement Name	Tenement Number	Area (km ²)	ELT Interest	Tenement Location
Cleveland	EL7/2005	60	100%	Tasmania, Australia
Oropesa	13.050	13	100%	Andalucia, Spain

ASX Listing Rule 5.3 disclosure

- During the quarter, payments for exploration and evaluation activities covering both the Oropesa and Cleveland projects totalled \$667,000.
- Payments of \$65,000 were made during the quarter to Related Parties, as reported in clause 6.1 of the ASX Appendix 5B (Cash Flow Report).

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).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

For more information on specific risks associated with forward looking statements refer to the Risk Assessment section of the announcement "Positive Economic Study for the Oropesa Tin Project", 7th May 2020.

Competent Person Statement

The information in this report is based on and fairly represents information and supporting documentation that has been compiled for this report. Mr Chris Creagh is a consultant to Elementos Ltd. Mr Creagh has reviewed and approved the technical content of this report. Mr Creagh is 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). Mr Creagh is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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 Oropesa Tin Project" released on 31 July 2018
- 2 - "Significant Increase in Cleveland Open Pit Resource" released on 26 September 2018
- 3 - "Oropesa Exploration Target" released on 4 February 2019
- 4 - "Exploration Drilling starts at the Oropesa Tin Project" released on 29 September 2020
- 5 - "Oropesa Tin Project Presentation to the 3rd Mining and Minerals Hall Conference" released on 18 October 2019
- 6 - "Oropesa Tin Project –Drilling Progress Report" released on 6 January 2021

- 7 - "Oropesa Tin Project –Drilling Progress Report" released on 19 January 2021
- 8 - "Oropesa Tin Project –Drilling Progress Report" released on 8 February 2021
- 9 - "Cleveland Tin Project –Exploration Re-Commences" released on 4 March 2021*
- 10 - "Oropesa Tin Project – Drilling Progress Report", 17 March 2021
- 11 - "Oropesa Tin Project – Drilling Progress Report", 22 March 2021
- 12 - "Appointment of Chief Executive Officer", 12 April 2021
- 13 - "Elementos completes capital raising to continue the development of the Oropesa tin project amid strong tin prices", 19 April 2021
- 14 - "Oropesa Tin Project" – Drilling Progress Report, 30 April 2021
- 15 - "Oropesa Tin Project" – Drilling Progress Report, 10 May 2021
- 16 - "Elementos commences feasibility development programs at the Oropesa Tin Project", 20 May 2021
- 17 - "Oropesa Tin Project" – Drilling Progress Report, 2 June 2021
- 18 - "Cleveland Tin Project Co-Funding", 17 June 2021
- 19 - "Results of Meeting", 6 July 2021
- 20 - "Oropesa DFS Commencement", 12 July 2021
- 21 - "Section 708A Notice – Issue of Securities", 14 July 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, 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.

This announcement was approved by the Board of Elementos Limited.

For more information, please contact:
Duncan Cornish
Company Secretary
Phone: +61 7 3212 6299
Email: admin@elementos.com

Please visit us at: www.elementos.com.au