

ASX ANNOUNCEMENT

31 January 2019

DECEMBER 2018 QUARTERLY REPORT

HIGHLIGHTS:

- **Interim Completion of the Arrangement Agreement (under which Elementos Limited is to acquire the Oropesa Tin Project) has occurred**
- **\$1.2m Capital Raising completed**
- **LME Tin Price of US\$20,840/t**

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to report on activities during the December 2018 quarter regarding the acquisition of the Oropesa Tin Project in Spain, progress on the Cleveland tin, copper and tungsten project in Tasmania, the Temengor Project in Malaysia, and a \$1.2m capital raising. The Company is rapidly fulfilling its strategic objective to become a significant tin producing company through the development of a number of projects.

ACQUISITION OF THE OROPESA TIN PROJECT

As announced by Elementos on 31 July 2018, the acquisition by Elementos of the Oropesa Tin Project in Spain was to take place by way of a plan of arrangement under Canadian laws which provides for Eurotin Inc. (TSX-V: TIN) (Eurotin) to transfer to Elementos 100% of the shares currently on issue in Minas De Estaño De España S.L.U. (MESPA), a wholly owned subsidiary of Eurotin and the holder of Oropesa.

On 9th November 2018 the Company announced satisfactory completion of its due diligence on the Oropesa Tin Project and entered into an Arrangement Agreement with Eurotin to acquire Oropesa from Eurotin Inc.



Subsequent to the end of the reporting period, due to a delay caused by the Christmas period, it was announced on the 4th January 2019 that Interim Completion of the Arrangement Agreement for the acquisition of the Oropesa Tin Project from Eurotin had now occurred.

On Interim Completion the Company issued to Eurotin 1,000,000,000 convertible redeemable preference shares (CRPS).

The next step of the acquisition is the transfer to Elementos of all shares in MESPA. The change in control that will result from the transfer of MESPA shares to Elementos requires the prior approval from the relevant Spanish Regional Mining Authority.

The acquisition of Oropesa represents an excellent opportunity to create value-uplift potential for shareholders as the project is advanced towards development. Attraction of the Oropesa project, include:

- **Large, well-defined resource** - A globally significant, undeveloped resource with strong opportunities for resource expansion;
- **Open-cut mining potential** –The deposit is amendable to simple drill and blast, truck and shovel open cut mining operations;
- **Simple metallurgy** - extensive metallurgical testing and process flowsheet designed to produce a 62.4% tin concentrate at a 74.2% metallurgical recovery;
- **Near-term production potential** – A Definitive Feasibility Study has commenced.;
- **Permitting process advanced** – A base-line Environmental Impact Assessment was lodged with the Government in January 2018 and a Mining License application has been submitted to the Government for approval;
- **Located close to development infrastructure** - Located close to major highways which link to export ports, water supply and power supply. The region has a skilled mining workforce;
- **Low sovereign risk** - The Andalusia region of Spain is home to some of the country's most significant mining operations and part of the European Union which provides a safe investment environment;
- **Large sunk cost** – significant investment in drilling, geophysics, metallurgical testing and development studies; and
- **Local community support** - The local government and community is extremely supportive of the project moving ahead.

The Company has been actively engaged with the development of the Oropesa Tin Project during the quarter, having commenced a series of preliminary studies to improve the overall performance of the proposed metallurgical process flowsheet. These studies are focusing on pre-concentration of the ore and are being carried out by TOMRA Sorting Solutions in Hamburg, Germany.

Oropesa Global Mineral Resources Estimate (0.15% Sn cut-off grade)			
Category	Tonnes	Grades % Sn	Contained Tin
Measured	330,000	1.09	3,585
Indicated	9,010,000	0.53	47,320
Total M & I	9,340,000	0.55	50,905
Inferred	3,200,000	0.52	16,615

***1 - 2018 JORC Resource Estimate for the Oropesa Tin Project**

CLEVELAND PROJECT UPDATE

The Company announced on the 26th September 2018 a significant increase in the Cleveland open pit resource. The mineral resource upgrade resulted from modelling near surface ore lenses that were not included in previous open pit resource estimates, and increased resources resulting from the diamond drilling programme completed in 2018 at Cleveland by Elementos. The Cleveland ore body remains open at depth, along strike and down dip from the currently defined ore lenses.

Activity at Cleveland during the reporting period has been focused on updating the geological database to include all the



historical geological and geotechnical information, dating from the early 1960's, that has not been recorded digitally. This will enable the Company to complete a detailed engineering study on a potential open pit mine design for Cleveland.

Open Pit Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)					
NOTE: this Open Pit Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted below					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	1.73 Mt	0.93%	16,100t	0.33%	5,700t
Inferred	0.16 Mt	1.18%	1,900t	0.49%	800t
TOTAL	1.89 Mt	0.95%	18,000t	0.34%	6,500t
Table subject to rounding errors; Sn = tin, Cu = copper					
Underground Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)					
NOTE: this Underground Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted below					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	4.50 Mt	0.68%	30,600t	0.29%	13,000t
Inferred	1.08 Mt	0.70%	7,500t	0.25%	2,700t
TOTAL	5.58 Mt	0.68%	38,100t	0.28%	15,700t
Table subject to rounding errors; Sn = tin, Cu = copper					
Total Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	6.23 Mt	0.75%	46,700t	0.30%	18,700t
Inferred	1.24 Mt	0.76%	9,400t	0.28%	3,500t
TOTAL	7.47 Mt	0.75%	56,100t	0.30%	22,200t
Table subject to rounding errors; Sn = tin, Cu = copper					
Tailings Ore Reserve - September 2018 (at 0% Sn cut-off)					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Probable	3.7 Mt	0.29%	11,000t	0.13%	5,000t
Table subject to rounding errors; Sn = tin, Cu = copper					
*1 - This information was prepared and first disclosed in 2015 under the JORC Code 2012. It has not been updated since on the basis that the information has not materially changed since it was last reported.					
Table subject to rounding errors; Sn = tin, Cu = copper					
Underground Tungsten Mineral Resource - September 2018 (at 0.20% WO ₃ cut-off)					
Category	Tonnage	WO ₃ Grade			
Inferred	4 Mt	0.30%			
*2-This information was prepared and first disclosed in 2014 under the JORC Code 2012. It has not been updated since on the basis that the information has not materially changed since it was last reported.					
Table subject to rounding errors; WO ₃ = tungsten oxide					

*2 - 2018 JORC Resource Estimate for the Cleveland Tin – Copper (Tungsten) Project

TEMENGOR

Elementos has extended a non-binding MOU agreement with Empire Tin Mining Sdn Bhd for a Farm-in and Joint Venture Agreement on the Temengor Project in Peninsular Malaysia. The term of the MOU has been extended until 20th March 2019 to accommodate numerous changes in regulatory authorities and procedures resulting from the general election in Malaysia in 2018.

EXPLORATION TENEMENTS

Elementos Ltd held the following interests in tenements at the end of the quarter:

Tenement Name	Tenement Number	Area (km ²)	Elementos Interest	Tenement Location
Cleveland	EL7/2005	55	100%	Tasmania

No new tenements were acquired during the quarter

CORPORATE

LME Tin Price

The LME tin price at the time of writing was US\$20,840/t. This is a 7.5% increase in the tin price over the reporting period.

Capital Raising

The Company completed a \$1.2million capital raising to support the completion of the Oropesa transaction and general working capital purposes on the 9th November 2018.

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CAUTIONARY STATEMENTS

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.

Mineral Resources and Ore Reserves

Elementos confirms that Mineral Resource and Ore Reserve estimates used in this document were estimated, reported and reviewed in accordance with the guidelines of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 edition.

Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. Economic, environmental, permitting, legal, title taxation, socio-political, marketing or other relevant issues may materially affect the estimate of Mineral Resources.

Elementos confirms that it is not aware of any new information or data that materially affects the Mineral Resource or Ore Reserve information included in the following announcements:

*1 - "Acquisition of the Oropesa Tin Project" released on the 31st July 2018;

*2 - "Substantial Increase in Cleveland Open Pit Project Resources following revised JORC study" released 26th September 2018

The Company also confirms that all material assumptions and technical parameters underpinning the estimates in the Cleveland Mineral Resources (tungsten) and Reserves continue to apply and have not materially changed.