

ASX:ELT

TIN FOR AN ELECTRIC TOMORROW

Investor Presentation

July 2020



TOMORROW'S TIN

ELEMENTOS

Cautionary statement

The Economic Study (Study) (see ASX release “Oropesa Economic Study”, 7th May 2020) referred to in this announcement has been undertaken for the purpose of assessing the technical and economic viability of developing the Oropesa Tin Project. The Study has been completed to an overall Scoping Study level of accuracy of +/- 35%. It should be noted that a number of the work streams in the Study have been undertaken to a more detailed standard of evaluation and definition.

The Study is preliminary in nature, it includes inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Ore Reserves, and there is no certainty that the Study outcomes will be realised. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into an Ore Reserves estimate.

While the estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, the Company is not aware of any such issues. The quantity and grade of reported Inferred Resources are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

The Study outcomes, production target and forecast financial information are based on information that are considered to be at Scoping Study level. The information applied in the Study is insufficient to support the estimation of Ore Reserves. While each of the modifying factors was considered and applied, there is no certainty of eventual conversion to Ore Reserves or that the production target will be realised. Further exploration work and evaluation studies are required before Elementos will be in a position to estimate any Ore Reserves or provide any assurance of an economic development case.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Study. The Study is based on the Measured, Indicated and Inferred Resources as estimated by SRK in the Mineral Resource Estimate released on the ASX on 31st July 2018, “Acquisition of the Oropesa Tin Project”. Elementos is not aware of any new information or data that materially affects the information included in that release. All material assumptions and technical parameters underpinning the estimates in that ASX release continue to apply and have not materially changed.

Of the Mineral Resources scheduled for extraction in the Study mine production plan, approximately 4% are classified as Measured, 78% as Indicated and 18% as Inferred. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. Inferred Resources do not contribute to the production schedule in the first two years of operations and only 1% in the first nine years of the proposed development. The production plan includes Inferred Resources in the latter stages of the production schedule.

This release contains a series of forward-looking statements. The words “expect”, “potential”, “intend”, “estimate” and similar expressions identify forward-looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties that may cause the actual results, performance or achievements to differ materially from those expressed or implied in any of the forward-looking statements in this release that are not a guarantee of future performance.

Statements in this release regarding the Elementos business or proposed business, which are not historical facts, are forward-looking statements that involve risks and uncertainties. These include Mineral Resource Estimates, metal prices, capital and operating costs, changes in project parameters as plans continue to be evaluated, the continued availability of capital, general economic, market or business conditions, and statements that describe the future plans, objectives or goals of Elementos, including words to the effect that Elementos or its management expects a stated condition or result to occur. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by Elementos, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements.

Elementos has concluded that it has a reasonable basis for providing these forward-looking statements and the forecast financial information included in this release. This includes a reasonable basis to expect that it will be able to fund the development of the Oropesa Tin Project upon successful delivery of key development milestones. The detailed reasons for these conclusions are outlined in the ASX release “Oropesa Economic Study” dated 7 May 2020 including Appendix 1 (JORC Code 2012, Table 1. Consideration of Modifying Factors). While Elementos considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Economic Assessment Study will be achieved. To achieve the range of outcomes indicated in the Economic Assessment Study, pre-production funding in excess of US\$70m will likely be required. There is no certainty that Elementos will be able to source that amount of funding when required. Discussions with potential funders have confirmed that a project of this scale will be able to be funded with a combination of Debt and Equity. The company is confident that the capital costs are sufficiently low that raising the required equity will be possible. The company continues to have the full support of its existing largest shareholders and is working with potential offtake partners, brokers, private equity firms and traditional funders to ensure that the Company will be in a position to fund the project as needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Elementos’ shares. It is also possible that Elementos could pursue other value realisation strategies such as a sale, partial sale or joint venture of the Oropesa Tin Project. This could materially reduce Elementos’ proportionate ownership of the Oropesa Tin Project.

No Ore Reserve has been declared. This ASX release has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions, including sufficient progression of all JORC modifying factors, on which the Production Target and forecast financial information are based have been included in this ASX release.

Tin for an electric tomorrow

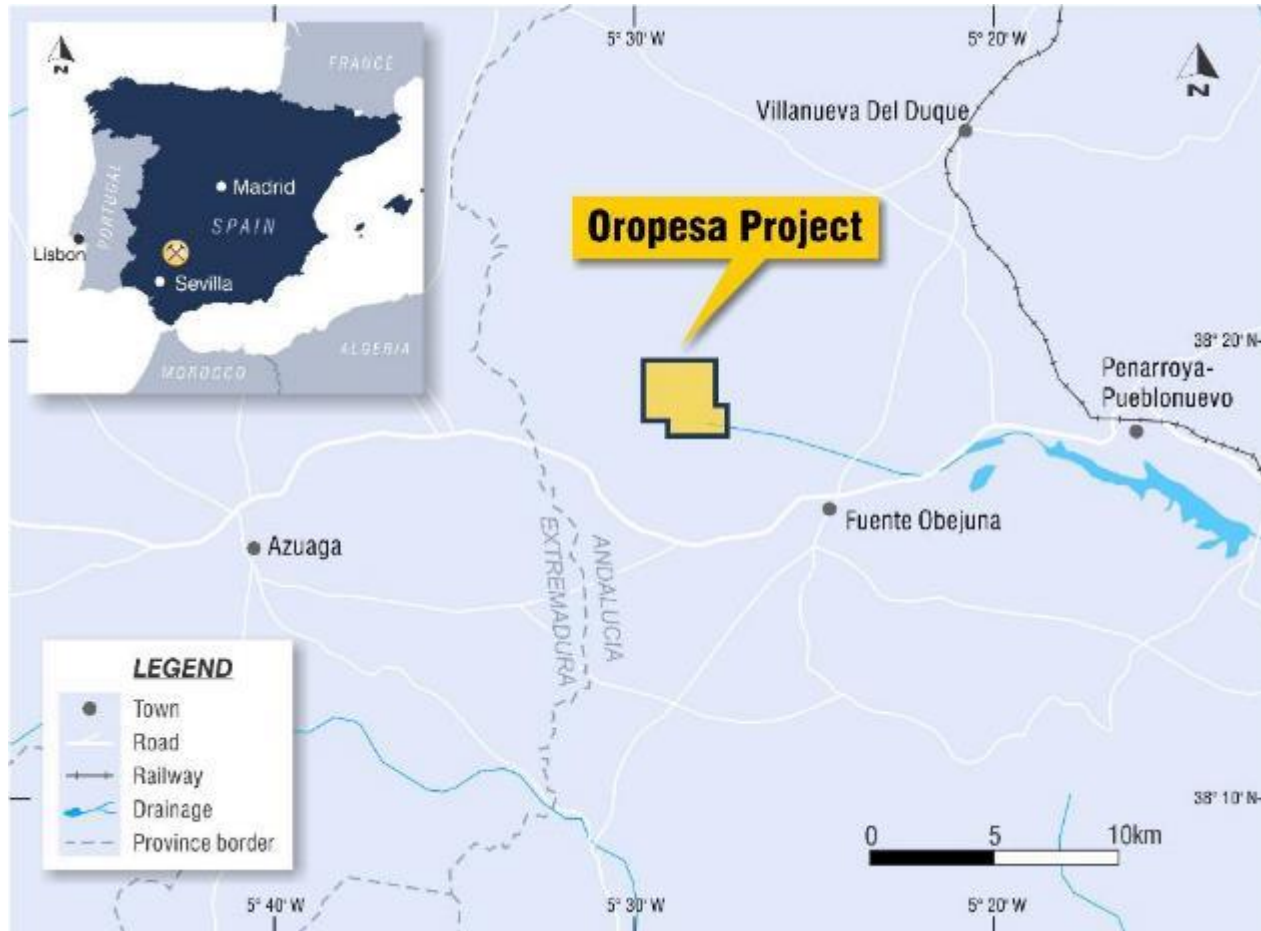
Our vision is to become a major global tin producer.

- Two tin projects with large resource bases and significant exploration potential in mining-friendly locations.
- Economic Study shows Oropesa Tin Project is one of the world's highest-grade, lowest cost tin projects (NPV8% US\$92 million at very low capex of US\$52m).
- Experienced leadership team has skin in the game (12% ownership) and strong shareholder support.

Firm strategy in place deliver value catalysts:

1. Oropesa drilling and optimisation program and subsequent JORC Resource upgrade.
2. Finalise Oropesa environmental and permitting activities.
3. Oropesa Definitive Feasibility Study, offtake and financing.
4. Progressing opportunities to unlock value from the Cleveland Tin Project in Tasmania.

Oropesa Tin Project



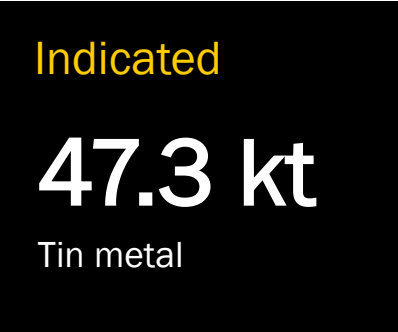
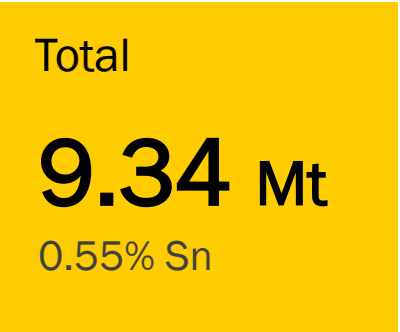
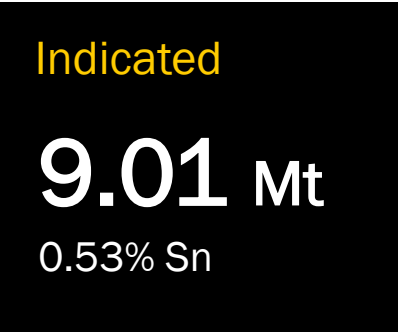
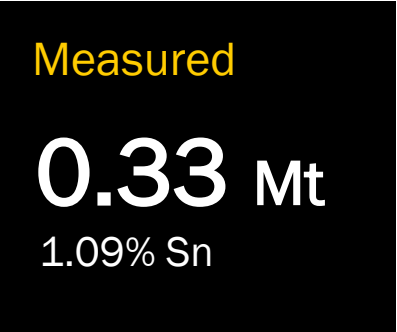
- Project acquired in 2019 (100%) with more than US\$26 million invested in project development.
- Planned open-cut mining operation and conventional processing facility producing tin concentrates to be shipped to smelters in Europe/Asia.
- Strong local support for the project.
- The mining friendly Andalusian region, is home to some of Spain's largest mines:
 - The Cobre Las Cruces Copper Mine, owned by First Quantum Minerals
 - The Rio Tinto Copper Mine, owned by Atalaya Mining

Oropesa Tin Project

One of the world’s highest grade open-cut tin projects

- Economic Study Production Target derived from 2018 JORC Mineral Resource.
- Resource includes 253 drill holes (54,026 metres).
- Planned drilling in 2020 to expand and upgrade the size of the existing resource and lower the overall waste-to-ore ratio for the project.
- Significant JORC Exploration Target highlights potential to expand resource.

JORC Mineral Resources¹
31 July 2018

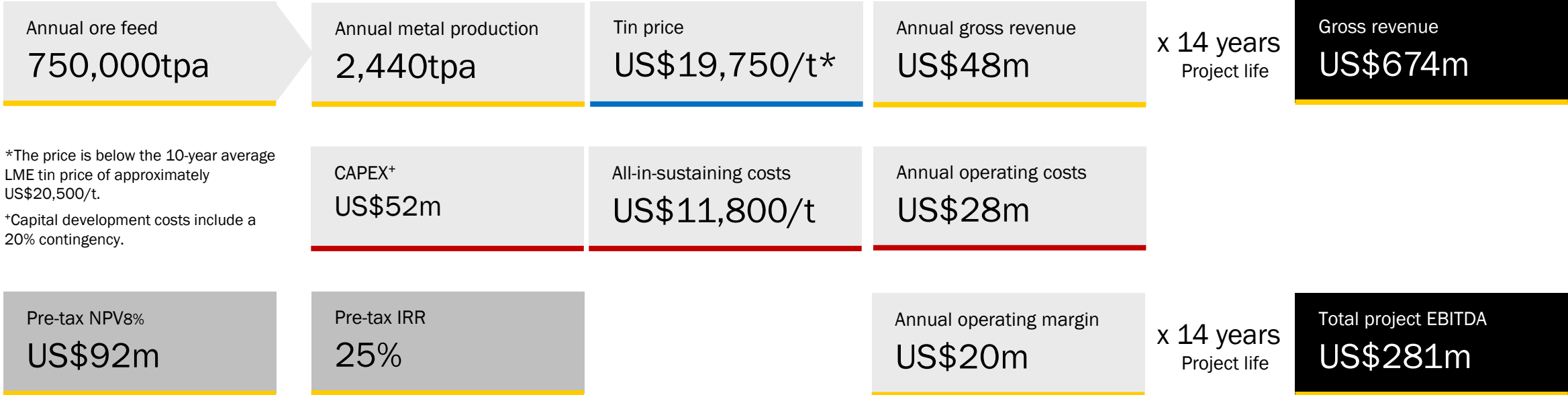


¹ All resources calculated using a 0.15% Tin cut-off grade
This information was first disclosed under the JORC Code 2012 on 31 July 2018

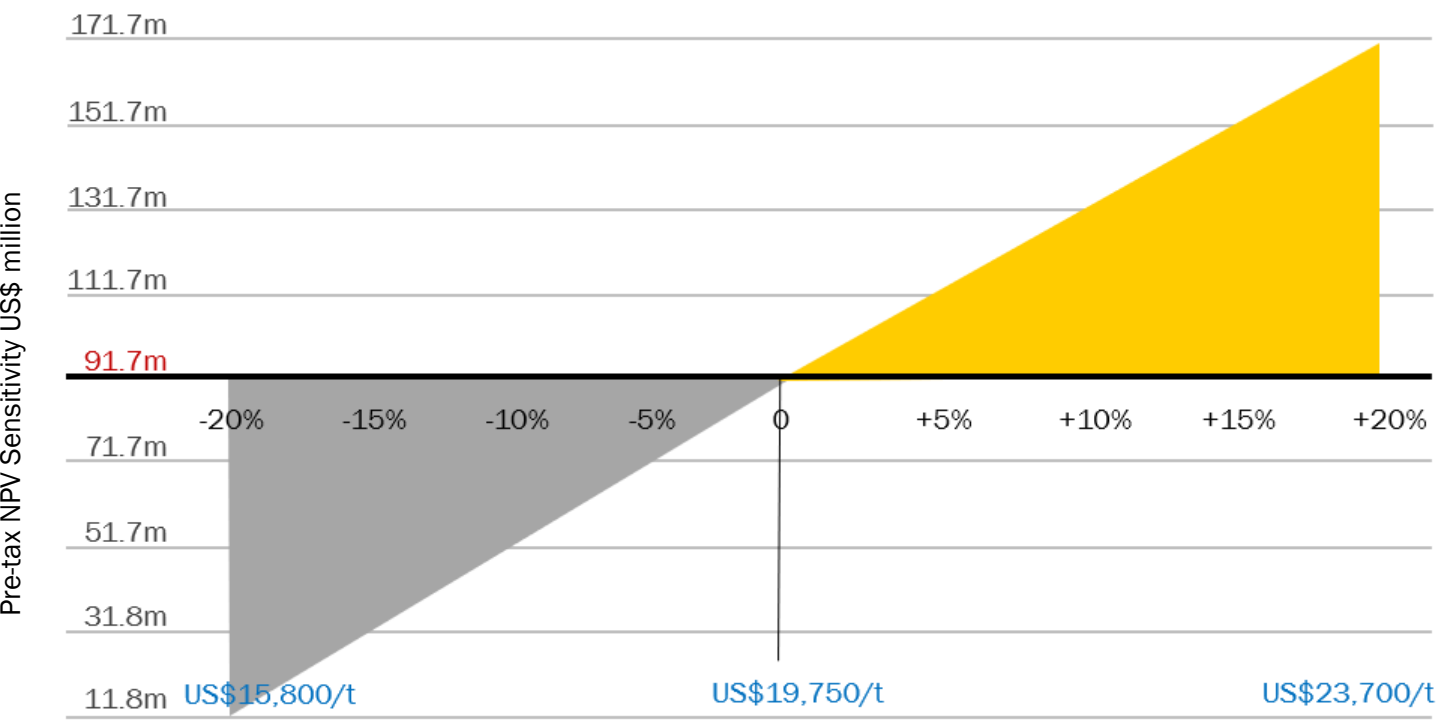
Oropesa Tin Project

Economic Study (May 2020)

Oropesa Economic Study follows extensive drilling, geological, geotechnical, feasibility and metallurgical test work programs over more than 10 years.



Attractive financial return with strong tin price leverage



Pre-tax NPV8%

US\$92m*

*Forecast tin price of US\$19,750/tonne is below the 10-year average LME tin price of approx. US\$20,500/t.

Pre-tax IRR

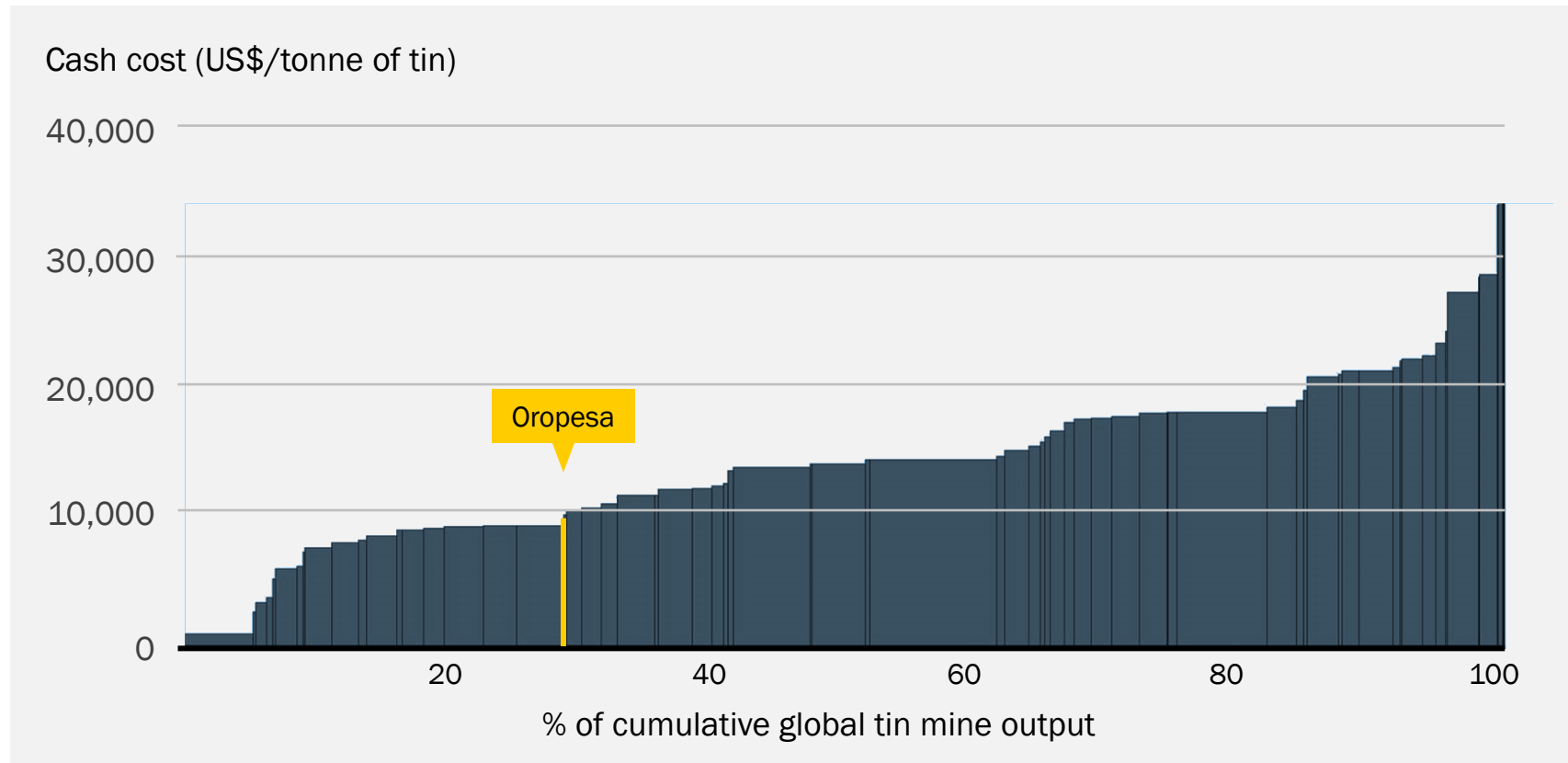
25%

Capital payback period

4 years

Oropesa Tin Project

Potential to be bottom quartile cash cost



- Oropesa cash cost compares favourably against other tin developments around the world.
- Planned resource optimisation and drilling program has potential to reduce Economic Study waste-to-ore ratio

Source: International Tin Association

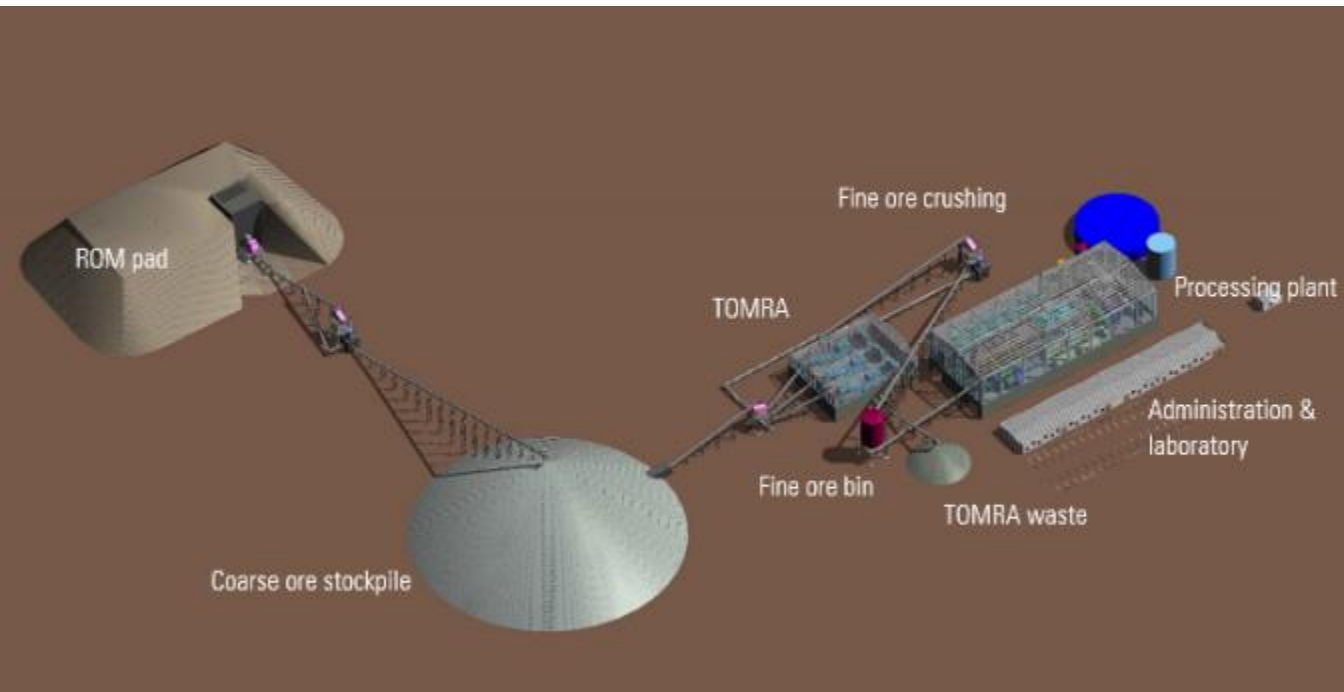
Simple open-cut mine



Final design of mine pit and waste dumps, year 14

- Drill and blast, truck and shovel operation.
- Competitive mining costs of US\$21.95/t.
- Life-of-mine waste:ore ratio is 11:1
- Ore exposed at surface – no significant pre-strip
- Capital costs minimised by mining contractor model.
- Mine plan utilises concurrent backfilling to minimise waste haulage distances and facilitate progressive rehabilitation.

Conventional tin process flowsheet



- Crushing, ore sorting, grinding, sulphide flotation, gravity separation and tin flotation recovery circuit.
- Plant capacity is 750,000tpa to produce 2,440t of tin metal.
- 76% recovery to a 62% grade tin concentrate.
- Separation of sulphide and normal tailings, thickening and filtering for storage.
- Very low cash operating costs of US\$10.97 per tonne of ore.

Low infrastructure costs from local power, water and labour supply



- Access to low cost electricity and power lines traverse the project site.
- Sealed road access to an export port, 185km away.
- Experienced local mining workforce.
- Water readily available.
- Site layout designed to minimise project footprint.

Drilling and optimisation plan to increase Oropesa's overall resource, annual production and mine life.

Economic Study outcomes were positive but there are number of areas identified that have the potential to enhance the project's economics.

Four key areas of optimisation potential, include:

1. New drilling
2. Incorporating the lower grade tin halo into the JORC Resource Model
3. Re-examining and assaying existing drill core
4. Reinterpretation of different styles of mineralisation

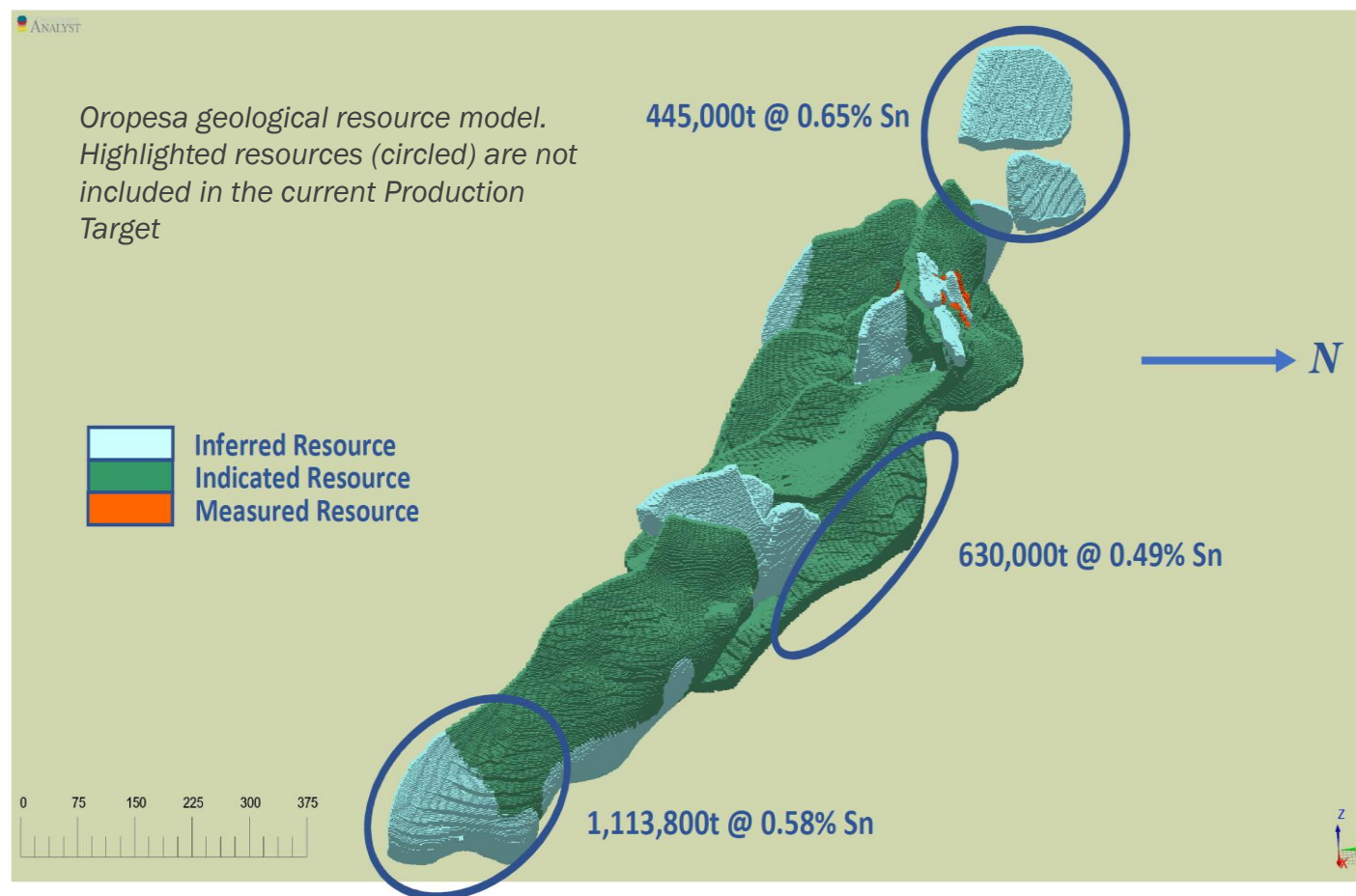
Drilling approvals process completed and the program will commence once coronavirus travel restrictions removed

Oropesa Drilling & Optimisation Plan

1. New drilling - Resource conversion

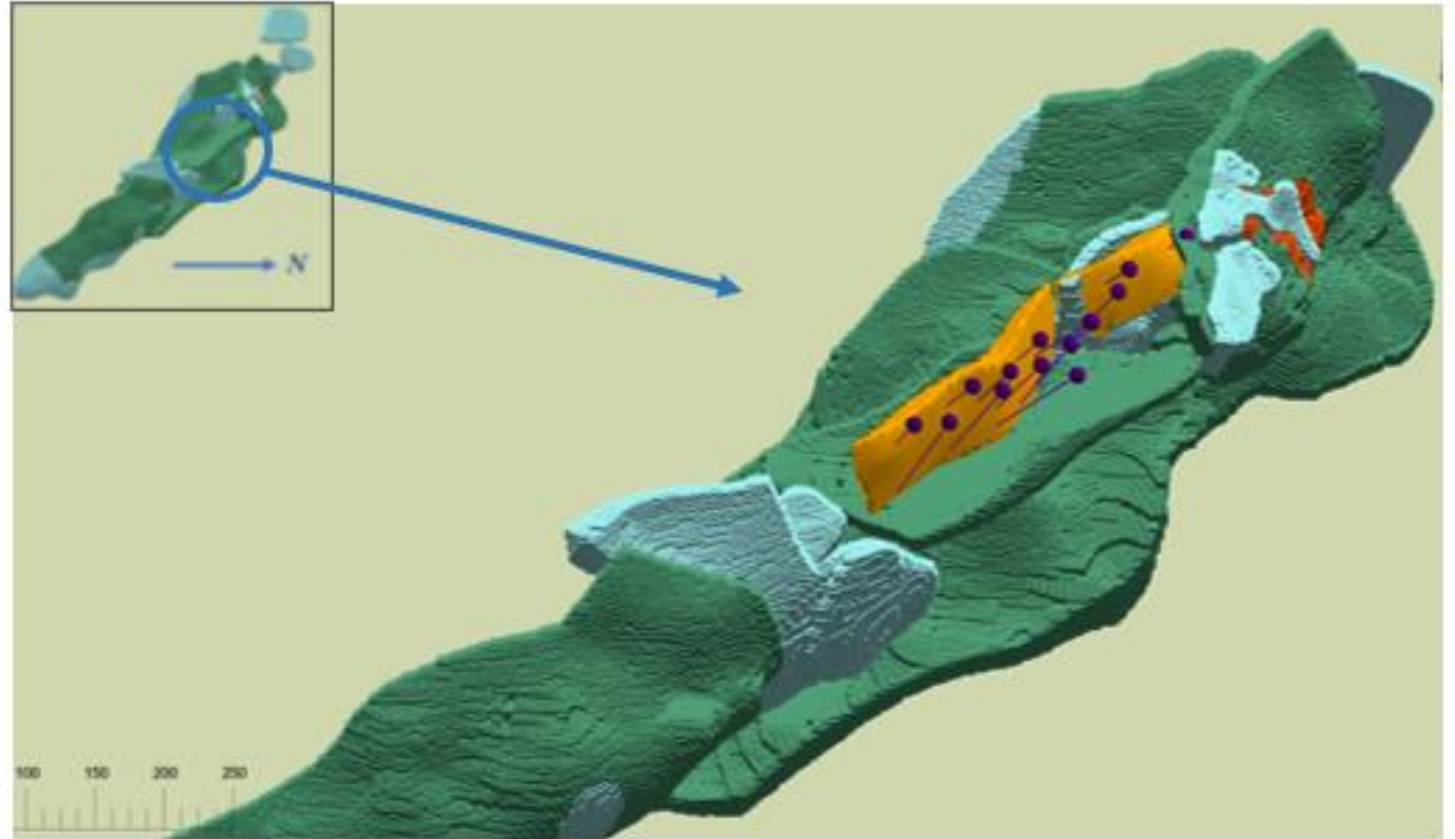
- Planned drilling program will target the conversion of near surface Inferred Resources to Indicated Resources.
- This will result in an improved waste-to-ore stripping ratio by incorporating additional mineral resources into a future mineral resource.

**These were excluded from the May 2020 Economic Study.*



1. New drilling - Incorporating fault controlled mineralisation

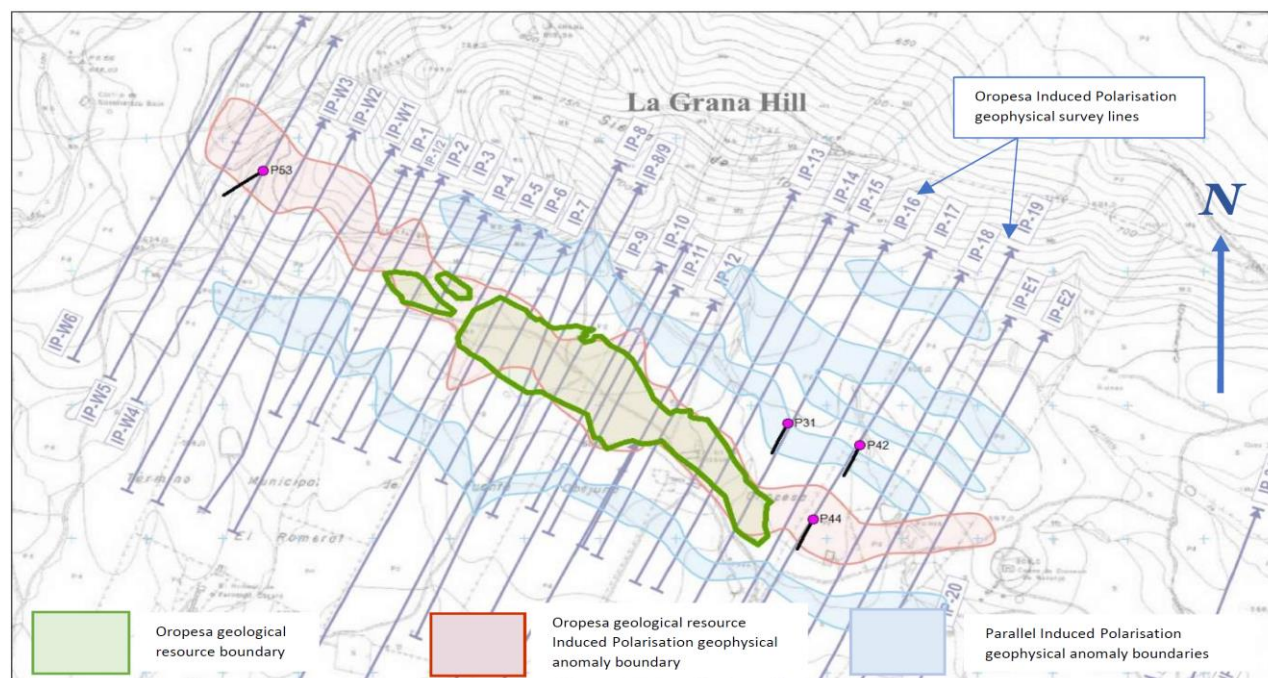
- Second priority is to confirm interpreted near-surface fault-controlled mineralisation that has been identified from historical exploration data.
- Potential to significantly expand the mineral resource, especially at shallow levels.



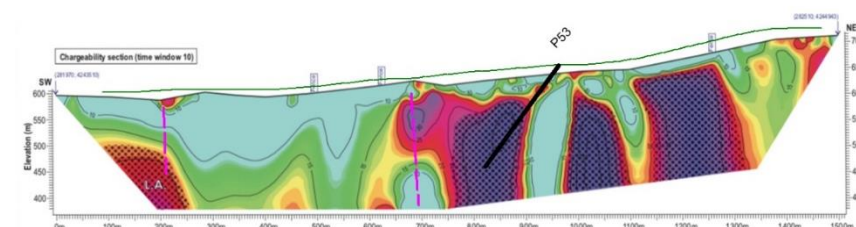
Proposed drilling program on interpreted near-surface fault-controlled mineralisation

Oropesa Drilling & Optimisation Plan

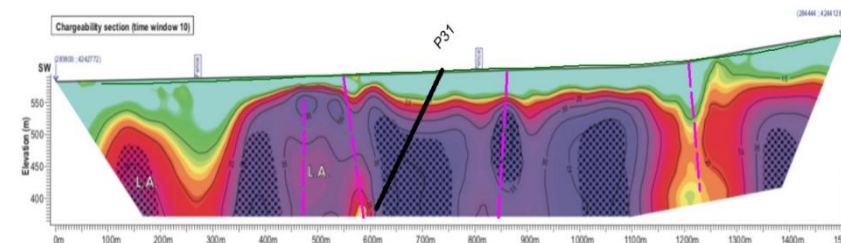
1. New drilling - Wider tenement potential



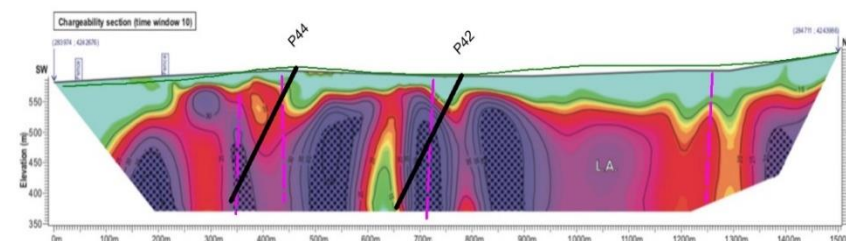
Geophysical and geochemical studies indicate there is significant potential to identify new tin mineralisation within the wider tenement area at Oropesa.



IP chargeability anomalies on survey line W4 showing location of proposed exploration drill hole P53



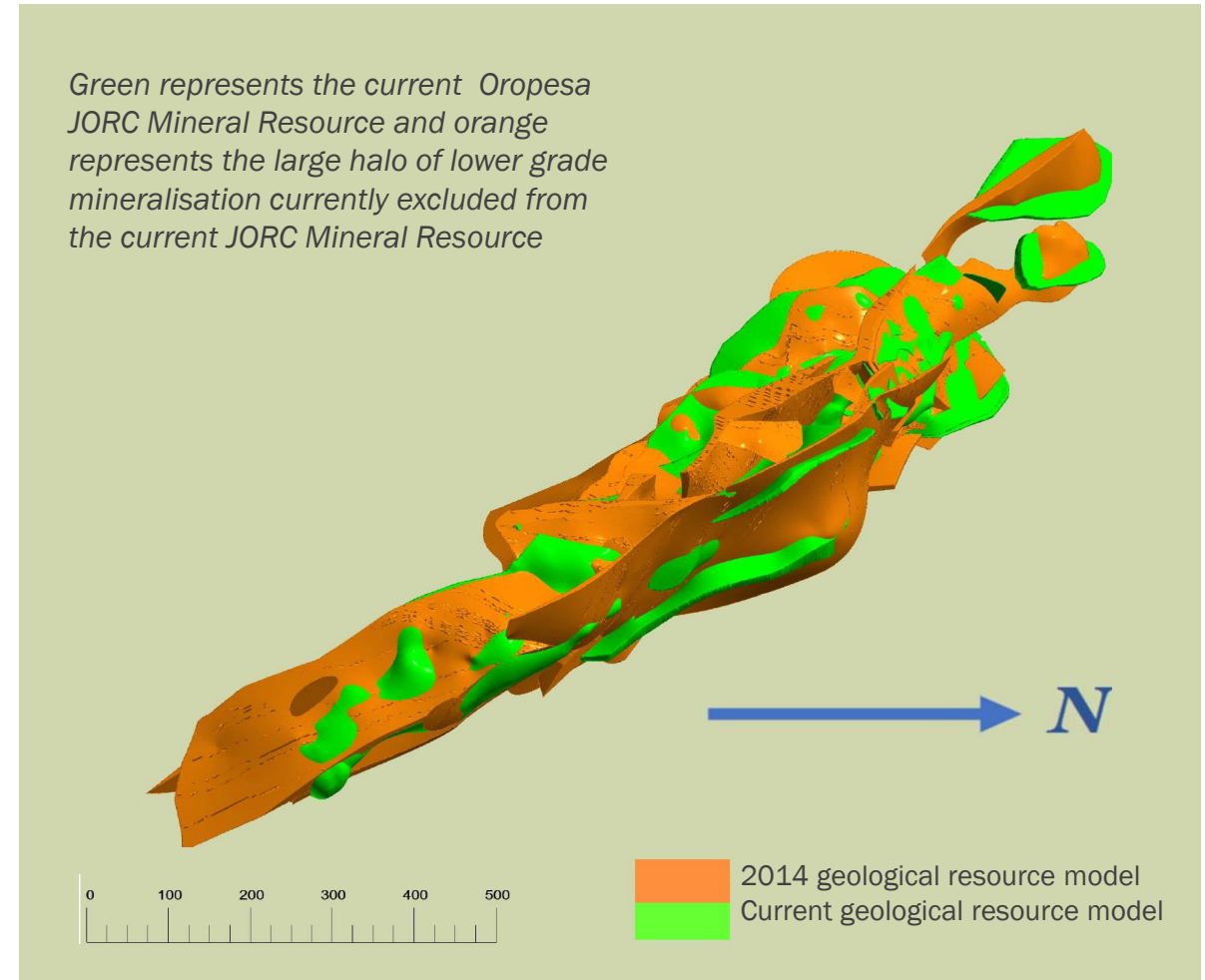
IP chargeability anomalies on survey line 16 showing location of proposed exploration drill hole P31



IP chargeability anomalies on survey line 18 showing location of proposed exploration drill holes P42 & P44

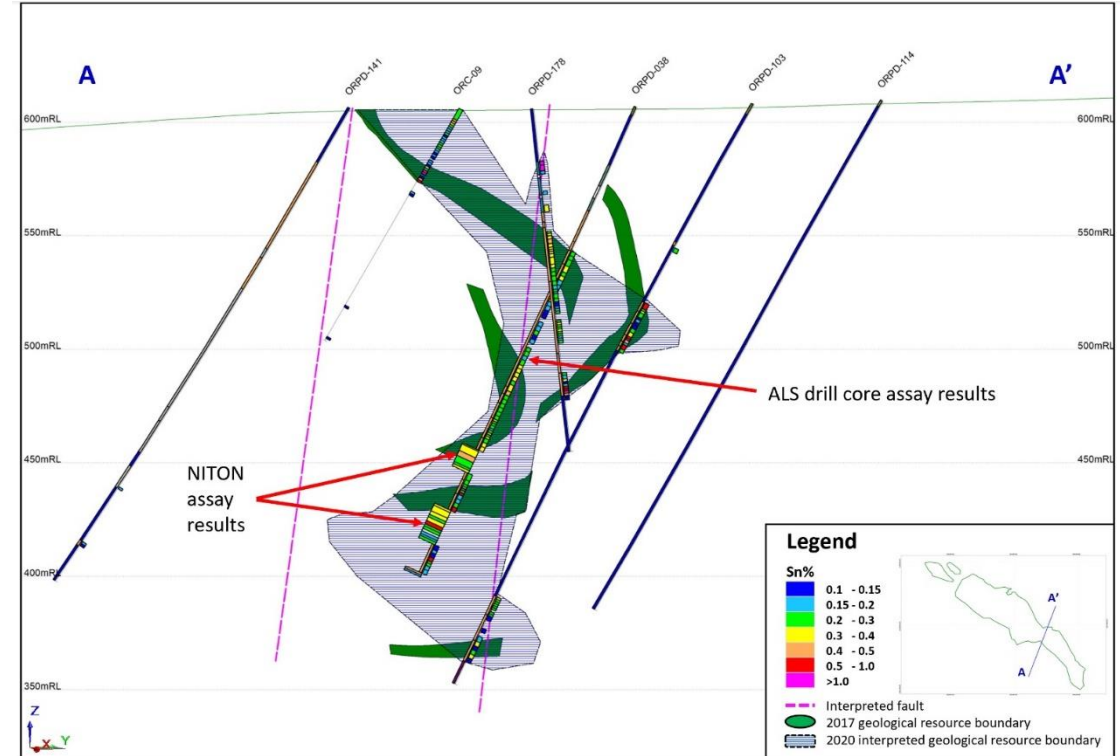
2. Incorporating the lower grade tin halo into the JORC Resource Model

- Tin mineralisation within this low-grade halo is currently excluded from the JORC geological resource that was used in the Economic Study Production Target.
- The Economic Study Production Target assumed 10% mining dilution at a 0% Sn grade. Incorporating the low grade mineralisation in a new JORC geological resource will increase the tin content of the dilution material.
- This is likely to result in an increase in tin production at no additional mining cost.



3/4. Re-examining existing drill core and geological interpretation

- 173 early exploration diamond drill holes have been identified which show the potential for having additional tin mineralisation not in current mineral resource.
- Re-examining these drill holes using drill core logging, NITON XRF analysis, and assaying.
- Re-interpretation of existing geological data and follow-up confirmation drilling will allow estimation of a new JORC Mineral Resource.



Potential geological resource boundary following the inclusion of new core assay data, inclusion of the low grade halo and stratigraphical and fault-controlled mineralisation.

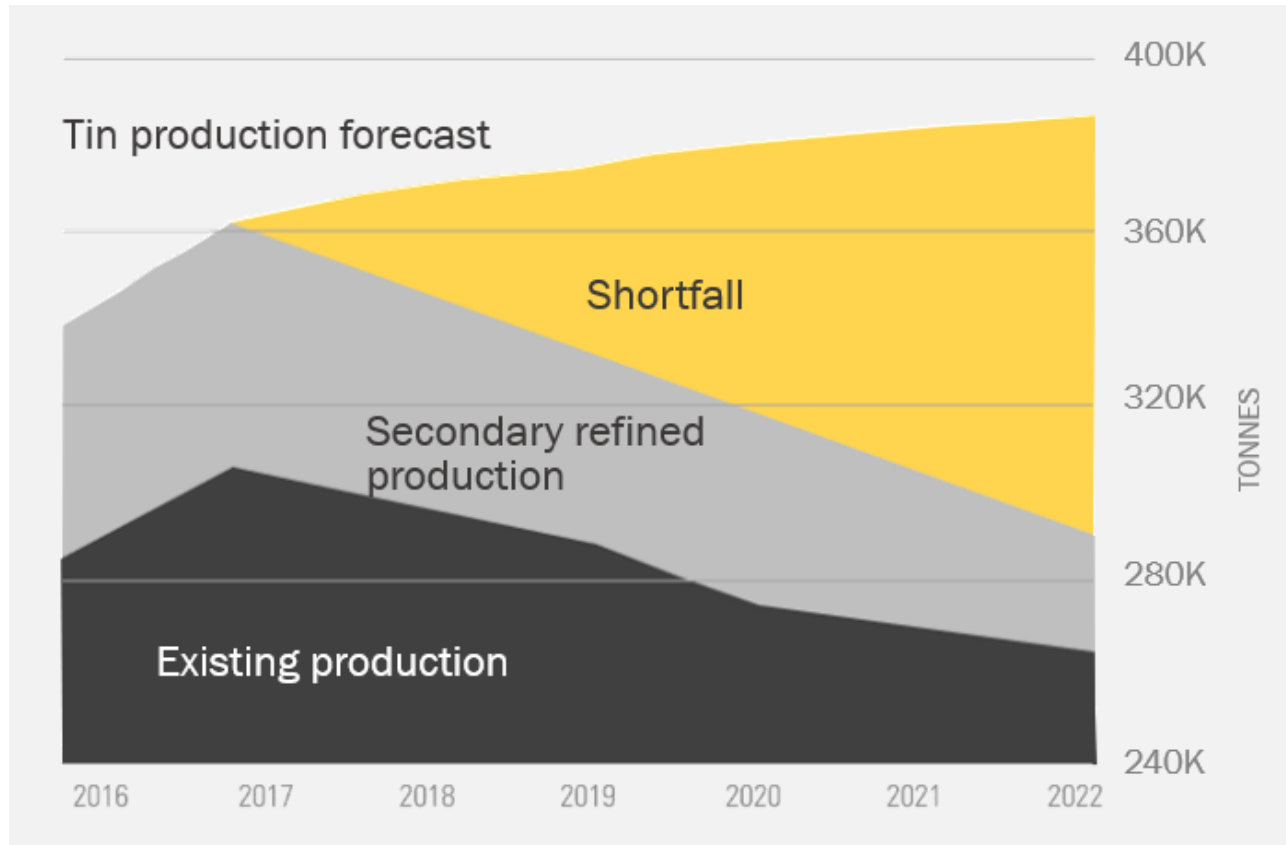
Cleveland Tin Project



- Cleveland Tin Project (100%-owned) located in mineral rich north-west Tasmania.
- Operated as an underground mine by Aberfoyle Resources from 1968 to 1986 – demonstrated mining and metallurgical outcomes.
- Significant endowment of tin-copper tailings, open-cut and underground JORC Mineral Resources. Large, separate, tungsten porphyry resource below tin deposit.
- Tailings and underground pre-feasibilities studies completed.
- Technical assessment of optimal development pathway underway – new open-cut mineable resource ‘game changer’ for simplified, low-capex startup development concept.

Tin market summary

New tin production required



- Global tin demand is steadily increasing as it services the technology revolution
- Electronics, communications, IT renewable energy, and electric vehicles are all growth industries needing tin.
- Existing tin mines are producing from lower grade, diminishing resources.
- New supply is limited as potential projects are either high CAPEX underground mines, low grade open pit mines or located in risky jurisdictions.

Source: ITA

Investment summary

- Economic Study shows very strong investment case for the Oropesa Tin Project.
- Drilling and optimisation plan to increase Oropesa's overall resource, annual production and mine life.
- Strategy being implemented to become a significant global tin producer within five years.
- Oropesa Exploration Target estimated at between 35-51mt @ 0.46 to 0.62% tin*
- Board and management experienced in exploration, development, construction and operations globally.
- Opportunity for additional production from Cleveland Tin Project in Tasmania.

* The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Corporate overview

Share price

\$A0.005

10 July 2020 close
52 week high 0.006c, low \$0.001c

Shares on issue

2,554m

Debt*

\$2.3m

30 June 2020

* Long term unsecured debt

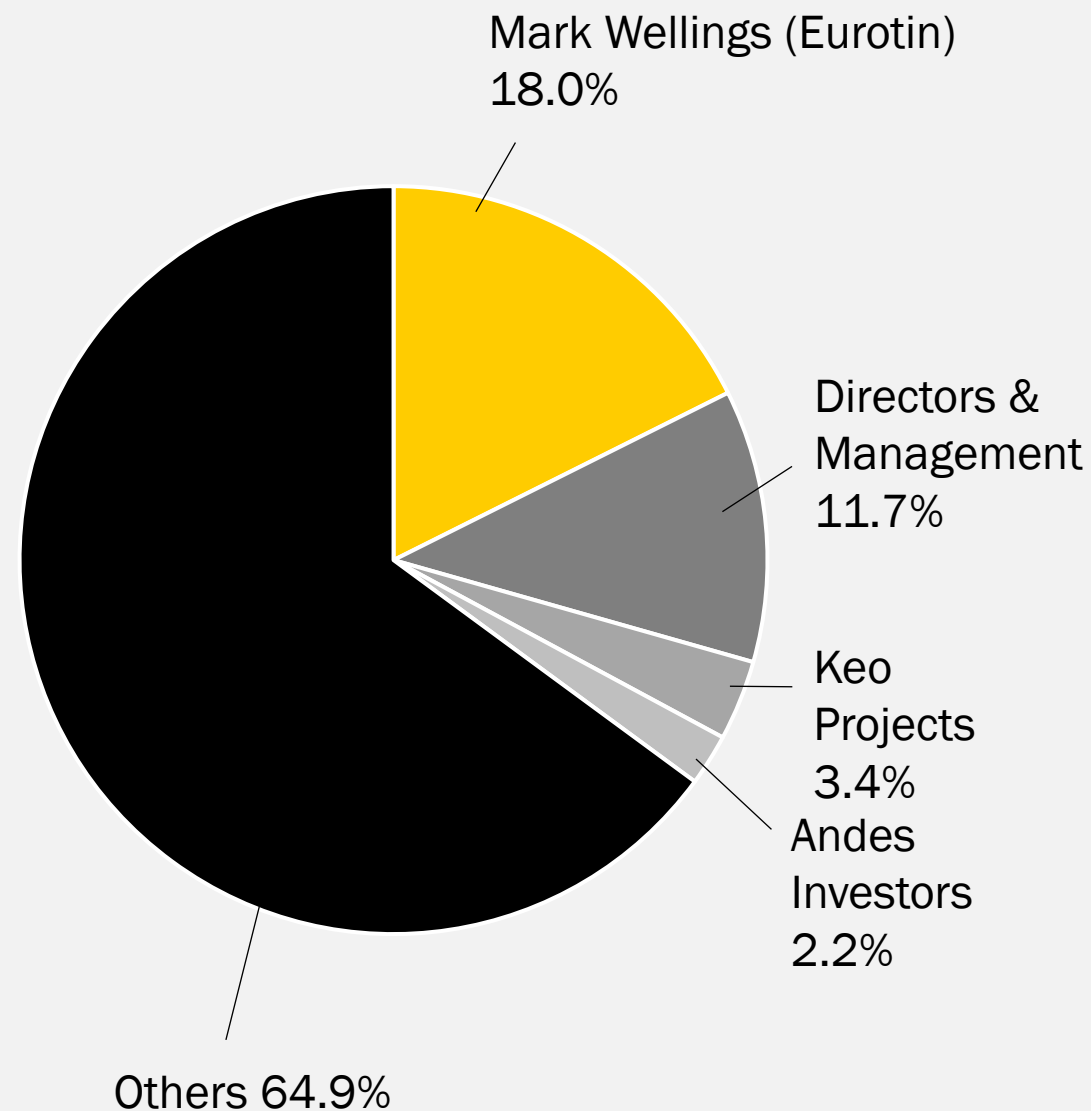
Market capitalisation

\$12.8m

Cash

\$0.2m

30 June 2020



Disclaimer

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 Resource & Exploration Target

Elementos confirms that Mineral Resource and Reserve estimates and Exploration Targets 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. Elementos confirms that it is not aware of any new

information or data that materially affects the Mineral Resource, Reserve or Exploration Target information included in the following announcements:

- *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 4th February 2019
- *4 - "Oropesa Tin Project Presentation to the 3rd Mining and Minerals Hall Conference" released on 18 October 2019

The Company also confirms that all material assumptions and technical parameters underpinning the estimates in the Cleveland Mineral Resources and Reserves continue to apply and have not materially changed. Elementos also confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the date of announcement.

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.

Get in touch

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