

TOMORROW'S TIN

ELEMENTOS LIMITED ANNUAL REPORT

For the year ended 30 June 2021



ELEMENTOS

ASX:ELT | ABN 49 138 468 756

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CORPORATE DIRECTORY

Directors and Company Secretary

Mr Andy Greig (Non-executive Chairman)
Mr Christopher Dunks (Non-Executive Director)
Mr Calvin Treacy (Non-executive Director)
Mr Corey Nolan (Non-executive Director, Chairman of the Audit and Risk Committee)
Mr Brett Smith (Non-executive Director)
Mr Duncan Cornish (Company Secretary)

Head Office and Registered Office

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Australian Securities Exchange Ltd
ASX Code: ELT

Australian Business Number

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CHAIRMAN'S LETTER



Dear fellow shareholders

Welcome to the 2021 Elementos Limited (ASX: ELT) Annual Report. This has been a transformational year for Elementos, and backed by surging tin prices, the Company has firmly established itself as a prominent tin project developer. We are now rapidly moving towards becoming a producer of tin concentrate.

London Metal Exchange (LME) Tin prices increased 98% during the year to US\$33,460/tonne, global tin inventories are at record lows following COVID-19 supply disruptions, unprecedented growth in demand for electronics and increased demand for electric vehicles and green infrastructure. The drawdown on global tin stocks was so substantial at certain points throughout the year, market inventories were estimated to have only supplied one to two days of global demand. End users are struggling to re-build their private company stockpiles and have limited ability to draw from exchanges due to a global undersupply of tin. The International Tin Association is currently forecasting a 30,000-40,000-tonne/year (~10% of demand) supply deficit to continue into 2025, with widening deficits post-2025. As I stated in my letter last year - it's good to be "in tin".

Elementos is strategically placed to take advantage of tin's forecast strong market fundamentals. Our flagship Oropesa Project in southern Spain is one of the best undeveloped open-cut tin resources in the world – and Elementos have just completed 5,654m (46 holes) of additional drilling to increase the size and confidence in the Mineral Resource, a new estimate is due for completion by the end of 2021.

We have committed to completing a Definitive Feasibility Study (DFS) for the Oropesa Tin Project, targeting delivery at the end of calendar year 2022. This DFS will incorporate the updated Mineral Resource Estimate and the other feasibility development programs including metallurgical, geotechnical and groundwater programs.

Surging tin prices have prompted the commencement of new work programs at the Cleveland Tin Project in Tasmania following last year's updated JORC Mineral Resource estimate. We have identified additional mineralisation along strike of the current Mineral Resource and a 1,000m drilling program (four holes) is planned and approved by the Tasmanian government. Additionally, we commenced a strategic review of historic Cleveland technical studies to assess redevelopment.

“

Our development timing is excellent, with surging tin prices built upon a foundation of increasing global demand for tin and falling supply. Our pathway to becoming a major tin producer is clear and we're looking forward to an electric tomorrow with tremendous confidence.

”

In April 2021, Joe David was appointed Chief Executive Officer. Joe is an experienced mining engineer who has worked in natural resources finance, operational, executive, and consulting positions with listed and private companies. Joe specialises in advancing exploration and development companies through feasibility studies, financing, and into construction and operations. Joe has hit the ground running, working closely with the Board on establishing the development pathways for our two projects.

Elementos completed an oversubscribed \$6.1m capital raising to institutional, sophisticated, and accredited investors in April 2021. This represents a strong vote of confidence in the Elementos' vision and development strategies for its tin assets, and I thank our Shareholders for your continuing support.

We have established an important new milestone with a major commitment to ESG. Our new ESG Position Statement is outlined in this Annual Report. Elementos plans to operate its business in a manner that considers and measures our impacts across essential ESG criteria and in line with changing stakeholder expectations. We are building a business that aims to provide value to its shareholders and the communities in which we operate by placing a greater focus on doing this in an environmentally and socially sustainable way leading from our strong governance principles.

Our experienced team has done a fantastic job maturing our two projects, especially during the very challenging global COVID-19 pandemic. I want to take this opportunity to thank all our employees, contractors, and consultants for delivering such stellar results whilst staying safe and ensuring the highest standards of environmental compliance.

I believe it's an exciting time to be a Shareholder of Elementos. We have successfully shifted from mineral explorer to project developer and now have the firm foundations to progress towards tin producer. Our development timing is excellent, with surging tin prices built upon a foundation of increasing global demand and falling supply. Our pathway to becoming a major tin producer is clear and we're looking forward to an electric tomorrow with tremendous confidence..

Yours sincerely



Andy Greig
Non-executive Chairman

Drill core from recently completed Resource drilling campaign, Expn_016 4m @ 0.69% Sn from 138.8m



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. Oropesa is an advanced tin project with near term development and cash flow potential.

The Company completed the acquisition of the Oropesa tin project (Oropesa) in Spain in 2019 and maturing this asset has been the primary focus of the Company. Activities at Oropesa included the completion of a 46-hole on-ground Mineral Resource drilling program (completed 14 July 2021). The program, which is still awaiting final assays to complete an updated Mineral Resource Estimate, can be deemed an early success due to the intersection of significant mineralisation both within and external to the existing Mineral Resource. In addition, the project commenced a series of feasibility development programs to further develop key engineering information to feed into the Definitive Feasibility Study (DFS), which was announced as the development pathway for the project subsequent to the year on 12 July 2021.

Tin mineralisation was first recognised at Oropesa in 1982. Intensive exploration activity since 2010, including 261 historic drill holes (54,026 metres), has resulted in the definition of the current mineral resource. The project area contains numerous geophysical and geochemically anomalous regions that could potentially extend this resource with additional exploration.

Tin mineralisation at Oropesa (cassiterite with minimal stannite) occurs as a replacement style orebody associated with sulphides, predominantly pyrite and pyrrhotite within a sedimentary sequence at the contact between sandstone and conglomerate units. Widespread folding and faulting of the sedimentary sequence has resulted in the mineralised sequence being overturned and repeated in places.

The Oropesa tin project contains a JORC compliant Measured, Indicated and Inferred Resource of 67,520 tonnes of tin.

Measured 0.33 Mt 1.09% Sn	Indicated 9.01 Mt 0.53% Sn	Inferred 3.20 Mt 0.52% Sn	Total 12.54 Mt 0.54% Sn
Measured 3.6 kt Tin metal	Indicated 47.3 kt Tin metal	Inferred 16.6 kt Tin metal	Total 67.5 kt Tin metal

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 consists of an exploration concession package (Investigation Permit No. 13.050) covering an area of 13km², located approximately 75km north-west of Cordoba and 180km north-east of Sevilla, in the region of Andalusia, in southern Spain.

Following the recent drilling program, an updated JORC Mineral Resource Estimate is being prepared for release later in 2021.

Elementos is rapidly advancing the Oropesa Tin Project towards development and production, by commencing a Definitive Feasibility Study (DFS) which was announced on 12 July 2021. Elementos completed 46 geological diamond drill holes totalling 5,654m. The program has confirmed additional near-surface mineralisation that is not currently included in the 2018 geological resource model and has also intersected mineralisation that will likely increase the confidence in parts of the current Mineral Resource.

Feasibility development programs, including metallurgical, geotechnical and hydrogeological programs to mature on-ground data collection, laboratory analysis and engineering confidence are all underway. At year end, pilot plant test work was 20% complete, the geotechnical rigs were about

to mobilise to the site and the hydrogeological water monitoring studies were ongoing. Following the end of the period the metallurgical pilot plant test work is 55% completed, three(of 10) geotechnical holes and planning for the pump testing of groundwater is well advanced.

The Company completed an Economic Study on the project during the previous annual reporting period. The Economic Study was based on the development of an open-cut mine, processing plant, tailings storage facility and infrastructure to support a 750,000 tonne per annum (tpa) mining operation over a mine life of 14 years. The operation will produce high-grade tin concentrate for sale to commercial smelters in Europe and Asia.

The Economic Study, based on a tin price of US\$19,750 per tonne (this price is 41% lower than the tin price at the end of the current reporting period, US\$33,460). Key highlights of the Economic Study were reported in detail to the ASX on 7 May 2020, are summarised in Table 1.

DESCRIPTION	UNITS	RESULTS
Average annual ore feed	Tonnes	750,000
Average annual tin metal production	Tonnes	2,440
Life-of-mine	Years	14
Average tin price	US\$/t real	19,750
Pre-production capital expenditure	US\$m	52.2
Total life-of-mine revenue	US\$m	675
Total life-of-mine EBITDA	US\$m	281
All-in-sustaining cash costs	US\$/t metal	11,790
Net Present value (8%, pre-tax, real)	US\$m	92
Internal Rate of Return (pre-tax, real)	%	25
Net Present value (8%, after-tax, real)	US\$m	66
Internal Rate of Return (after-tax, real)	%	22
Project capital pay-back period (pre-tax from mine start)	Years	4

Table 1. Summary of Oropesa Economic Study financial and technical information (forecast numbers are approximate)

Elementos has drafted the resubmission of both the Environmental Approvals and Mining Lease (Exploitation Licence) application process through discussions with representatives of the Andalucian Government (Junta) following the feedback from previous submissions lodged by Eurotin (Mining Lease application was first lodged in October 2017, Environmental Impact Study was first lodged in February 2018). Elementos then decided to revise the original EIS to better align with the Company's newly proposed mining operation and engaged ERM (Global Environmental Consultants) to re-draft the submissions and address several recommendations made by the Junta to improve the EIS and overall environmental outcomes. The Company continues direct discussions with the Junta about finalisation and lodgement

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 mine boasting excellent power, water and transport infrastructure.

The tin province in northwest Tasmania hosts some of the world's highest grade and most productive tin mines, including Renison Bell, Mt. Bischoff and Cleveland. The region has well-developed infrastructure and a strong mining culture. The site is linked to Burnie Port by sealed roads. Accessible power runs through the Cleveland exploration licence area.

Cleveland hosts tin and copper mineralisation in tailings, open-cut and underground Mineral Resources, and includes a separate tungsten Mineral Resource. The Company has completed several studies assessing the potential of developing these resources

In 2018, the Company completed an update to the JORC Mineral Resource Estimate for Cleveland. The total contained tin within the revised 2018 JORC Mineral Resource Estimate increased by 15.8% and contained copper increased by 20.0%. There was no change to the existing 2015 estimate for the tailings resource at Cleveland. The results for the 2018 hard rock resource estimate are reported in accordance with the JORC Code (2012).

The Cleveland ore body remains open at depth, along strike and down dip from the currently defined ore lenses. The Cleveland Project continues to be progressed towards development with the next phases of work including an exploration programme which aims to locate and define additional Mineral Resources.

Exploration at Cleveland recommenced in the first quarter of 2021 following a prolonged period of travel restrictions due to the COVID-19 pandemic. Activity focused on a prospective region about 500m long 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.



Figure 1. Cleveland Tin Project Location



Figure 2. Sample interpreted to be from the Cleveland carbonate bearing host horizon (Washington Creek)

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.

A diamond drilling program comprising four drill holes, totaling 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 successful, comprising \$50,000 to co-fund direct drilling costs and \$20,000 for helicopter support if required.

Elementos received approval of the standard Work Program from Mineral Resources Tasmania for the drilling program, subsequent to the reporting period (9 Sep 2021).

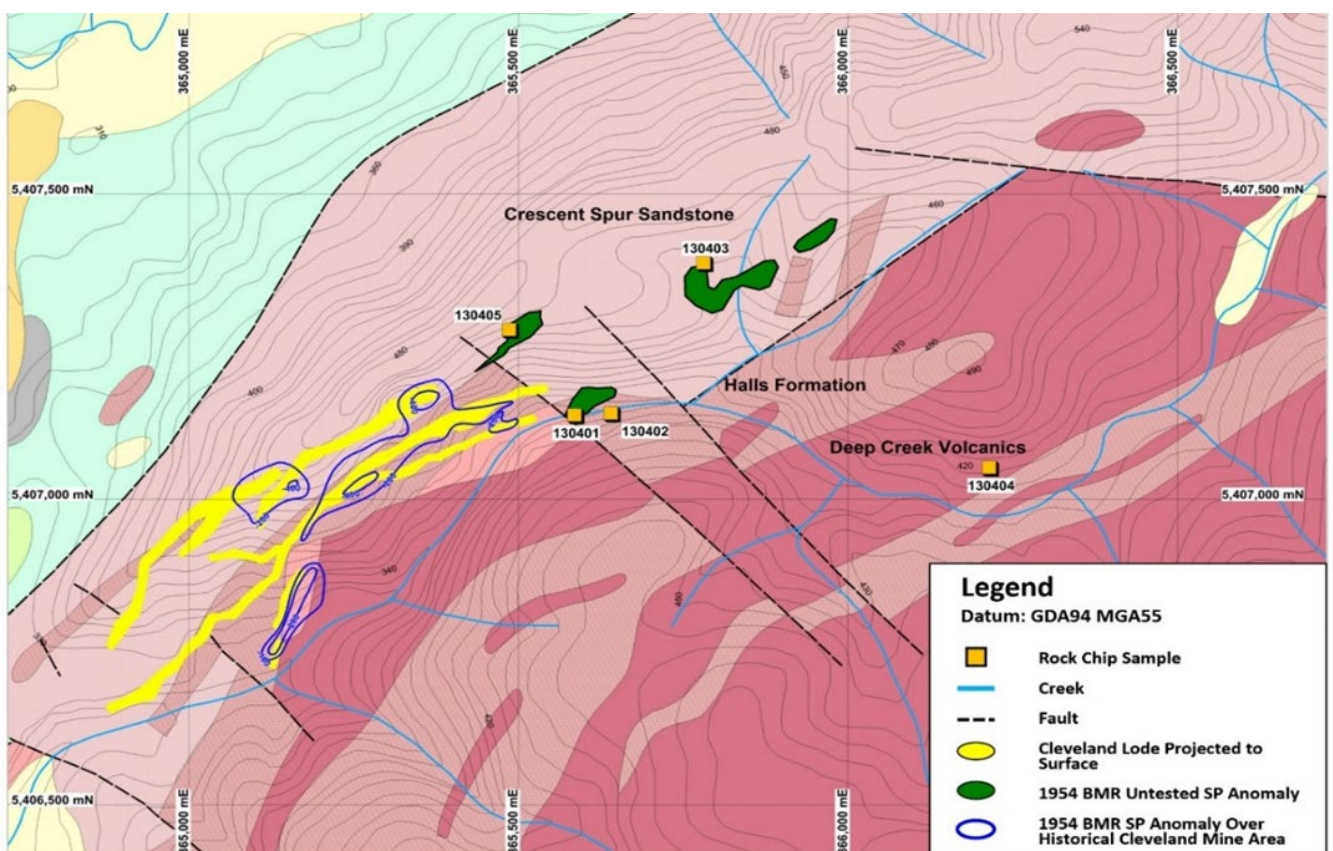


Figure 3. Cleveland Tin Mine mine sequence highlighting the surface projection of the geological resource with superimposed SP anomalies (in blue) and untested SP anomalies (in green) to the northeast of the historical workings.

Environment, Social & Governance (ESG)

Elementos has established an Environmental, Social and Governance (ESG) Position Statement as part of its desire to maturing its global tin assets into production in a responsible way.

Elementos developed this statement via a strategic review with a global boutique ESG and project advisory firm Adaptus. The review established visibility on material ESG themes through:

- A detailed analysis of relevant statutory and voluntary ESG disclosure and reporting frameworks
- Analysis of applicable mining industry standards and trends for sustainability;
- Analysis of current compliance requirements and emerging regulatory and social license trends in Spain, Australia and the EU; and,
- Analysis of stated ESG requirements of the investor and lending community.

Elementos is pleased to include this statement as part of the 2021 Annual Report and plans to report on its ESG progress as part of its Annual Report each year subsequent.

Elementos' ESG position statement is as follows:

Elementos will develop and operate its mining assets in accordance with evolving industry ESG and sustainability practices, comply with international laws and regulatory requirements, and uphold its high standards of safety, business integrity and values. Elementos is committed to local economic development, environmental protection, and social progress by delivering responsibly sourced tin into the global market including the clean technology supply chain.

Elementos aims to further enhance its corporate governance policies to facilitate achievement of its ESG commitments, leveraging its existing performance standards and compliance in the highly regulated jurisdictions of Australia, Spain and the EU.

Looking forward, Elementos plans to complete the necessary actions to:

- Establish an ESG sub-committee as part of its Board,
- Demonstrate compliance with European and OECD regulations that govern responsibly sourced tin, including the Tin Code,
- Demonstrate commitment to community and economic development and developing long-term relationships.

As Elementos matures its projects into production, alongside its commitment to the health and safety of its people and the communities in which it operates, Elementos will include in its development philosophy and decision-making consideration of:

- Maximising extraction of the contained mineral resource,
- Minimising ecological footprint,
- Minimising GHG emissions through use of alternative energy sources and electrification of plant and equipment,
- Minimising the impact of tailings storage facilities,
- Minimising air quality impacts,
- Maximising water recycling,
- Leading practices in diversity and inclusion, and
- Potential impacts of climate change on its operations.

Elementos will continue to monitor the evolving ESG landscape and ensure its ESG commitments remain relevant and effective in a changing environment.

TENEMENT INTERESTS

Elementos Limited held the following interests in tenements as at the date of this report:

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

A summary of the Group's annual review of its ore reserves and mineral resources of its Oropesa Tin Project in Spain and Cleveland project in Tasmania at 30 June 2021 compared to 30 June 2020 is set out below.

A view of the drill rig operating at the Oropesa Tin Project in southern Spain during the recently completed 46 hole (5,654m) Resource drilling program.



MINERAL RESOURCES STATEMENT

Oropesa Project

Total Tin Metal Resource (at 0.15% Sn cut-off)

30 June 2020 and 30 June 2021 – unchanged

Category	Tonnage (Mt)	Sn Grade %	Contained Sn (t)
Measured	0.33	1.09	3,585
Indicated	9.01	0.53	47,320
Inferred	3.20	0.52	16,615

Table subject to rounding errors; Sn = tin

Cleveland Project

Open Pit Tin-Copper Mineral Resource (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
30 June 2020 and 30 June 2021 – unchanged

Category	Tonnage (Mt)	Sn Grade %	Contained Sn (t)	Cu Grade %	Contained Cu (t)
Indicated	1.73	0.93	16,100	0.33	5,700
Inferred	0.16	1.18	1,900	0.49	800

Table subject to rounding errors; Sn = tin, Cu = copper

Underground Tin-Copper Mineral Resource (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
30 June 2020 and 30 June 2021 – unchanged

Category	Tonnage (Mt)	Sn Grade %	Contained Sn (t)	Cu Grade %	Contained Cu (t)
Indicated	4.50	0.68	30,600	0.29	13,000
Inferred	1.08	0.70	7,500	0.25	2,700

Table subject to rounding errors; Sn = tin, Cu = copper

Total Tin-Copper Mineral Resource (at 0.35% Sn cut-off)

30 June 2020 and 30 June 2021 – unchanged

Category	Tonnage (Mt)	Sn Grade %	Contained Sn (t)	Cu Grade %	Contained Cu (t)
Indicated	6.23	0.75	46,700	0.30	18,700
Inferred	1.24	0.76	9,400	0.28	3,500

Table subject to rounding errors; Sn = tin, Cu = copper

Underground Tungsten Mineral Resource (at 0.20% WO₃ cut-off) ¹

30 June 2020 and 30 June 2021 – unchanged

Category	Tonnage (Mt)	WO ₃ Grade %
Inferred	4.00	0.30

Table subject to rounding errors; WO₃ = tungsten oxide**Tailings Ore Reserve (at 0% Sn cut-off) ²**

30 June 2020 and 30 June 2021 – unchanged

Category	Tonnage (Mt)	Sn Grade %	Contained Sn (t)	Cu Grade %	Contained Cu (t)
Probable	3.70	0.29	11,000	0.13	5,000

Table subject to rounding errors; Sn = tin, Cu = copper

The Group regularly reviews its Mineral Resources and Reserves to assess their reasonableness, engaging suitably qualified competent person/s where required. A summary of the governance and controls applicable to the Group's Mineral Resources and Reserves processes is as follows:

- Review and validation of drilling and sampling methodology and data spacing, geological logging, data collection and storage, sampling and analytical quality control;
- Geological interpretation – review of known and interpreted structure, lithology and weathering controls;
- Estimation methodology – relevant to mineralisation style and proposed mining methodology;
- Comparison of estimation results with previous mineral resource models, and with results using alternate modelling methodologies;
- Visual validation of block model against raw composite data; and
- Peer review by senior company personnel and independent consultants as required.

¹ This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

² Announced per the JORC Code 2012 on 3 August 2015 "Cleveland Tailings Ore Reserve"

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 information in this report that relates to Processing and Metallurgy for the Oropesa Tin Project is based on and fairly represents information and supporting documentation compiled by 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.

CAUTIONARY STATEMENTS

Forward-looking statements

The Economic Study (Study) referred to in this announcement 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 categorised as Mineral Reserves, and there is no certainty that the Study outcomes will be realised. Mineral Resources are not Mineral 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 Mineral 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" and SEDAR by SRK dated September 2018. For full details of the Mineral Resources Estimate please refer to the September 2018 release by SRK on SEDAR (under the Eurotin Ltd company name). 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 SEDAR 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.

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

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 throughout the release on the results of the Economic Study and in 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 Study will be achieved. To achieve the range of outcomes indicated in the 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 Mineral Reserve has been declared. 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 release.

Mineral Resources, Ore Reserves and Production Targets

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 - Cleveland Tailings Ore Reserve, 3 August 2015;
- *2 - Cleveland JORC Resource Significantly Expanded, 5 March 2014 (tungsten resource);
- *3 - Acquisition of the Oropesa Tin Project, 31st July 2018;
- *4 - Substantial Increase in Cleveland Open Pit Project Resources following revised JORC study, 26th September 2018;
- *5 - Exploration Evaluation at Oropesa tin project, 4th February 2019;
- *6 - Oropesa Ore Sorting Performance Testwork, 9th August 2019;
- *7 - Oropesa Presentation – Seville, Spain, 18th October 2019;
- *8 - Positive Economic Study for the Oropesa Tin Project, 7th May 2020; and
- *9 - Oropesa optimisation work and drilling to unlock further value, 13th July 2020
- *10 - “Elementos commences feasibility development programs at the Oropesa Tin Project”, 20th May 2021
- *11 - “Oropesa Tin Project – Drilling Progress Report”, 2nd June 2021
- *12 - “Oropesa Tin Project – Drilling Progress Report”, 16th June 2021
- *13 - “Cleveland Tin Project Co-Funding”, 17th June 2021

Subsequent to the reporting period

- *14 - "Oropesa Tin Project – Drilling Progress Report", 11th August 2021
- *15 - "Oropesa Tin Project – Drilling Progress Report", 24th August 2021
- *16 - "Oropesa Tin Project – Drilling Progress Report", 30th August 2021
- *17 - "Elementos drilling further defines new zone of tin mineralisation at Oropesa", 2nd September 2021
- *18 - "High-grade assays extend new zone of shallow tin mineralisation at Oropesa", 8th September 2021
- *19 - "Broad drilling intercepts confirm new shallow tin mineralisation at Oropesa", 10th September 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.

DIRECTORS' REPORT

The directors submit their report on the consolidated entity ("Group") consisting of Elementos Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2021.

Directors

The following persons were directors of Elementos Limited during the financial year and up to the date of this report, unless otherwise stated:

Mr Andy Greig
Mr Chris Dunks
Mr Corey Nolan
Mr Calvin Treacy
Mr Brett Smith

Information on Directors

The board has a strong combination of technical, managerial and capital markets experience. Expertise and experience includes operating and mineral exploration in Australia. The names and qualifications of the current directors are summarised as follows:

Andy Greig

Non-Executive Chairman

Mr Greig (GDipBus (Monash); Fellow, ATSE) retired from the Bechtel Group, Inc., the globally renowned engineering, construction, and project management company, in 2015 after a 35-year career. Mr Greig was a director of Bechtel Group, Inc. for 5 years, and for 13 years through until 2014; the President of its Mining and Metals Global Business Unit.

Mr Greig has deep experience in the engineering and construction of large mining and minerals processing projects around the world. He is a business graduate of Monash University, and a Fellow of the Australian Academy of Technological Sciences and Engineering.

Mr Greig has not held any other (ASX listed) directorships in the last three years.

Chris Dunks

Non-Executive Director

Mr Dunks (BEng (Mech), GAICD) is currently the Managing Director of Synergen Met Pty Ltd, a Brisbane-based company that is commercialising novel minerals processing technology.

Mr Dunks was a Founder and Managing Director of Rockwell Minerals Pty Ltd, the company that merged with Elementos in 2013, and negotiated the original deal to purchase the Cleveland Project. Mr Dunks' experience over the last 20 years has been dominated by working on major minerals processing, refining and power projects both in Australia and the USA.

Mr Dunks' experience has been in mechanical design, construction management and supervision, project controls, project management, contract negotiation, business development and new technology commercialisation. He has worked extensively with Bechtel, Worley Parsons, SNC Lavalin and Jacobs (Aker Kvaerner).

Mr Dunks was originally appointed as a Non-Executive Director of Elementos in November 2015. Following the resignation of the Company's CEO in July 2016, Mr Dunks transitioned into an Executive Director role until 1 July 2021 when his role reverted to a Non-Executive Director capacity.

Mr Dunks is a member of the Audit and Risk Committee.

During the past three years, Mr Dunks has also served as a director of ASX listed company Strategic Minerals Corporation NL (ASX: SMC) (February 2020 to October 2020).

Corey Nolan*Non-executive Director*

Mr Nolan is an accomplished public company director whose 30-year career in the resources industry started on the ground in operations before spanning a broad range of corporate roles from equities analyst and corporate finance director to a number of senior executive and board positions.

As Managing Director of ASX listed Platina Resources Limited since August 2018, he has been instrumental in restructuring the company's project portfolio, which has included the acquisition, funding, exploration and development of new assets.

Prior to Platina, Mr Nolan was Chief Executive Officer at Sayona Mining Limited where he led the acquisition and development of the Authier Lithium Project in Canada and chartered a substantial growth in the company's market capitalisation.

Mr Nolan's qualifications include a Bachelor of Commerce, Masters Degree in Mineral and Energy Economics and graduate diploma from the Australian Institute of Company Directors.

Mr Nolan is a member of the Audit and Risk Committee.

During the past three years, Mr Nolan has also served as a director of ASX listed company Platina Resources Limited (August 2018 to current).

Calvin Treacy*Non-executive Director*

Mr Treacy (BEng, MBA, MAICD) has over 20 years senior management experience in mining, mining technology and manufacturing. He has a strong track record of founding and growing companies, and brings a wealth of experience in the areas of strategic planning and capital raising.

Mr Treacy is a qualified Mechanical Engineer and holds a Masters of Business Administration, with extensive experience across a range of industries and positions.

Mr Treacy has worked in a range of roles including Non-executive Director, Chief Executive Officer, Chief Operating Officer and Production Manager, providing a blend of experience from hands-on management through to executive oversight and strategic management.

Mr Treacy is a member of the Audit and Risk Committee.

Mr Treacy has not held any other (ASX listed) directorships in the last three years.

Brett Smith*Non-executive Director*

Mr Smith has over 30 years' experience in the resources, construction and engineering industries in senior operational and financial positions. Mr Smith is Executive Director of Hong Kong listed Dragon Mining which has operating gold mines and processing plants in both Finland and Sweden.

Mr Smith is also Deputy Chairman of Hong Kong listed resources investment company APAC Resources and Executive Director of Australian Securities Exchange listed company Metals X. Mr Smith's qualifications include a Bachelor's Degree in Chemical Engineering (Hons), a Master's Degree in Business Administration and a Master's Degree in Research Methodology.

During the past three years, Mr Smith has also served as a director of ASX-listed companies Metals X (December 2019 to present), Tanami Gold (November 2018 to present) and Prodigy Gold (May 2016 to present).

Company Secretary

Duncan Cornish held the position of Company Secretary during the financial year and up to the date of this report. Mr Cornish is a Chartered Accountant with significant experience as public company CFO and Secretary, focused on junior resource companies, as well as financial, administration and governance.

Mr Cornish is an accomplished and highly efficient corporate administrator and manager. Duncan has more than 20 years' experience in the accountancy profession both in England and Australia, mainly with the accountancy firms Ernst & Young and PricewaterhouseCoopers.

He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities, and serves as corporate secretary and chief financial officer of several Australian and Canadian public companies.

Mr. Cornish holds a Bachelor of Business (Accounting) and is a member of the Chartered Accountants Australia and New Zealand.

Interests in Securities

As at the date of this report, the interests of each director in shares and options issued by the Company are shown in the table below:

Directors	Shares	Options
A. Greig	507,486,460	-
C. Dunks	19,687,505	-
C. Nolan	5,784,065	454,546
C. Treacy	31,636,368	1,212,122
B. Smith	4,040,866	-

Principal Activities

The principal activity of the Group during the year was exploration activity in relation to the Oropesa Tin Project. The Group is also developing the Cleveland tin-copper-tungsten Project through a staged, low-capital development strategy, which minimises upfront capital, with cash flow funding future stages.

Operating Results

The Group's operating loss for the financial year, after applicable income tax was \$1,612,387 (2020: \$1,581,484).

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year.

Review of Operations

Information on the operations of the Group during the financial year and up to the date of this report is set out separately in the Annual Report under Review of Operations.

Review of Financial Condition

Capital Structure

At 1 July 2020, the Company had 2,548,330,961 ordinary shares on issue.

On 6 August 2020, the Company announced that it had received commitments to complete a private placement of 464,000,017 shares to be issued at 0.55 cents per share with participants receiving an attaching option on a one for three basis, with an exercise price of 0.9 cents per share and expiry date of 31 August 2022. The transaction completed in two tranches as follows:

- (a) On 14 August 2020 422,727,288 shares were issued at 0.55 cents per share and 140,909,121 unlisted options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022 were issued.

- (b) On 2 December 2020, following shareholder approval at the 2020 Annual General Meeting the Company issued 41,272,729 shares at 0.55 cents per share and 13,757,578 unlisted options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022.

As part of the Capital Raising activity announced on 6 August 2020 detailed above, the Company announced that it had engaged BW Equities to act as lead manager to the placement. As consideration BW Equities were issued, following shareholder approval at the 2020 Annual General Meeting, 40,000,000 unlisted options with an exercise price of 0.9 cents per share expiring 31 August 2022.

On 6 August 2020, the Company announced that it had entered into an agreement to convert \$500,000 of the outstanding loan balance with Mr Andy Greig (Chairman). Following shareholder approval at the 2020 Annual General Meeting Mr Greig received 90,909,091 ordinary shares with an issue price of 0.55 cents per share and 30,303,030 options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022.

On 9 September 2020, the Company announced the successful completion of an oversubscribed Shares Purchase Plan ("SPP") to existing shareholders raising \$773,000. The SPP resulted in the issue of 140,545,487 shares with an issue price 0.55 cents per share and 35,333,373 options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022.

On 2 December 2020, following shareholder approval at the 2020 Annual General Meeting Mr Brett Smith (Director) received 2,540,866 shares in lieu of fees.

On 23 April 2021, the Company announced that it had received commitments to complete a private placement of 610,000,000 shares to be issued at 1.0 cents per share with participants receiving an attaching option on a one for two basis, with an exercise price of 1.5 cents per share and expiry date of 30 April 2022. The transaction completed in two tranches as follows:

- (a) On 27 April 2021 544,000,000 shares were issued at 1.0 cents per share and 272,000,000 unlisted options with an exercise price of 1.5 cents per share and expiry date of 30 April 2022 were issued.
- (b) On 14 July 2021, following shareholder approval at the 2021 Extraordinary General Meeting the Company issued 66,000,000 shares at 1.0 cents per share and 33,000,000 unlisted options with an exercise price of 1.5 cents per share and expiry date of 30 April 2022.

As part of the Capital Raising activity announced on 23 April 2021 detailed above the Company announced that it had engaged BW Equities to act as lead manager to the placement. As consideration BW Equities were issued, following shareholder approval at the 2021 Extraordinary General Meeting, 45,000,000 unlisted options with an exercise price of 1.5 cents per share expiring 30 April 2022.

On 19 April 2021, the Company announced that it had entered into an agreement to convert \$569,246 of the outstanding loan balance with Mr Andy Greig (Chairman). Following shareholder approval at the 2021 Extraordinary General Meeting Mr Greig received 56,924,600 ordinary shares with an issue price of 1.0 cents per share and 28,462,300 options with an exercise price of 1.5 cents per share and expiry date of 30 April 2022.

On 9 July 2021, the Company issued 82,500,000 performance rights to Executives of the Company with performance based vesting conditions. 37,500,000 performance rights have an expiry date of 30 June 2023, 37,500,000 performance rights have an expiry date of 31 December 2023 and 7,500,000 performance rights have an expiry date of 31 December 2025.

From 1 July 2020 to the date of this report the following share options have been exercised into ordinary shares of the Company:

- 70,889,719 share options with an exercise price of 0.9 cents per share raising \$638,007; and
- 65,712,300 options with an exercise price of 1.5 cents per option raising \$985,685.

As at the date of this report, the Company had 4,049,853,041 ordinary shares, 502,163,383 unlisted options and 82,500,000 performance rights on issue.

Financial Position

At 30 June 2021, the Group's net assets totalled \$14,576,070 (2020: \$7,017,848) which included cash assets of \$5,542,252 (2020: \$199,176).

The Group's working capital, being current assets less current liabilities has increased from (\$1,433,784) in 2020 to \$2,969,668 in 2021, principally due to capital raisings undertaken during the period and ongoing exploration expenditure and operating costs.

Treasury policy

The Group does not have a formally established treasury function. The Board is responsible for managing the Group's finance facilities. The Group does not currently undertake hedging of any kind.

Liquidity and funding

Following the capital raisings undertaken during the period, the Group has sufficient funds to finance its operations and exploration activities, and to allow the Group to take advantage of favourable business opportunities, not specifically budgeted for, or to fund unforeseen expenditure.

Significant Changes in State of Affairs

Elementos Limited remained relatively unaffected during the period by COVID-19. Staff worked remotely when possible and followed enhanced social distancing and health and safety procedures when at the workplace.

There was no other matter or circumstance during the financial year that has significantly affected the state of affairs of the Group.

Events After Reporting Date

- Following shareholder approval on 6 July 2021, the following transactions occurred:
 - The issue of 66,000,000 shares with an issue price of 1 cent per share and 33,000,000 attaching options with an exercise price of 1.5 cents per share and expiry of 30 April 2022 in relation to the capital raising completed in April 2021.
 - The issue of 45,000,000 options with an exercise price of 1.5 cents per share and expiry of 30 April 2022 to BW Equities who acted as lead manager to the April 2021 capital raising.
 - The issue of 56,924,600 shares with an issue price of 1 cent per share and 28,462,300 attaching options with an exercise price of 1.5 cents per share and expiry of 30 April 2022 to Mr Andy Greig (Chairman) on conversion of the outstanding loan principal and interest. The loan facility was closed upon the issue of shares. See Note 7 for further details in relation to the loan facility.
- As announced on 8 September 2021, the Company executed an agreement with Mark Wellings (Eurotin Managing Director) and his entity, ZCR Corp, to settle the outstanding CAD\$1m loan facility due to mature in January 2022. A payment of CAD\$683,642 which is inclusive of interest was made during September 2021 to finalise the agreement.
- As announced on 9 July 2021, the Company issued 82,500,000 performance rights to executives of the company with company related performance vesting conditions.
- Subsequent to the reporting period the following options were exercised:
 - 2,727,274 options with an exercise price of 0.9 cents per option raising \$24,545; and
 - 62,962,300 options with an exercise price of 1.5 cents per option raising \$944,435.

Other than the events noted above, there are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental Issues

The Group is subject to significant environmental regulations under the laws of the Commonwealth of Australia and states of Australia in which the Group currently operates. In addition, the Group is subject to the environmental regulations of the Central Government of Spain, Cordoba Province of Andalucia, Fuente Obejuna municipality and to a lesser extent the European Union in relation to the Oropesa Tin Project.

The directors monitor the Group's compliance with environmental obligations. The directors are not aware of any compliance breach arising during the year and up to the date of this report.

In addition, the company has established an Environmental, Social and Governance (ESG) Position Statement as part of its desire to maturing its global tin assets into production in a responsible way. This statement is available for review in the ESG section of this Annual Report.

Native Title

Mining tenements that the Group currently holds, are subject to Native Title claims. The Group has a policy that is respectful of the Native Title rights and is continuing to negotiate with relevant indigenous bodies.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director and other key management personnel.

The names of key management personnel of Elementos Ltd who have held office during the financial year are:

Key Management Personnel	Position
Andy Greig	Director – Non-executive Chairman
Chris Dunks	Director – Non-executive (Executive Director until 1 July 2021)
Corey Nolan	Director - Non-executive
Calvin Treacy	Director - Non-executive
Brett Smith	Director - Non-executive
Joe David	Chief Executive Officer (appointed 13 April 2021)
Drew Speedy	Chief Financial Officer

The Group's remuneration policy seeks to align director and executive objectives with those of shareholders and business, while at the same time, recognising the early development stage of the Group and the criticality of funds being utilised to achieve development objectives. The board believes the current policy has been appropriate and effective in achieving a balance of these objectives.

The Group's remuneration policy provides for long-term incentives to be offered through a director and employee share option plan and also through a performance rights plan. Options may be granted under these plans to align directors', executives', employees' and shareholders' interests. Two methods may be used to achieve this aim, the first being performance rights and options that vest upon reaching or exceeding specific predetermined objectives, and the second being options granted with higher exercise prices (than the share price at issue) rewarding share price growth.

The board of directors is responsible for determining and reviewing the Group's remuneration policy, remuneration levels and performance of both executive and non-executive directors. Independent external advice will be sought when required. No independent external advice was sought during the current year.

Performance-Based Remuneration

Performance-based remuneration includes both short-term and long-term incentives and is designed to reward key management personnel for reaching or exceeding specific objectives or as recognition for strong individual performance. Short-term incentives are available to eligible staff of the Group and may be comprised of cash bonuses, determined on a discretionary basis by the board. No short-term incentives were made available during the year.

Long-term incentives are comprised of share options and performance rights, which are granted from time-to-time to encourage sustained strong performance in the realisation of strategic outcomes and growth in shareholder value.

The exercise price of the options is determined after taking into account the underlying share price performance in the period leading up to the date of grant and if applicable, performance conditions attached to the share options. Subject to specific vesting conditions, each option is convertible into one ordinary share.

The Group's policy for determining the nature and amount of remuneration of board members and key executives is set out below.

Non-Executive Directors

Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Group. The maximum aggregate amount of fees that can be paid to non-executive directors approved by

shareholders is currently \$250,000. One-third, by number, of non-executive directors retires by rotation at the Company's Annual General Meeting. Retiring directors are eligible for re-election by shareholders at the Annual General Meeting of the Company. The appointment conditions of the non-executive directors are set out and agreed in letters of appointment.

The Company currently believes it is prudent it continues to maintain a very low-cost corporate overhead and preserve its cash resources. Consequently, non-executive director fees for the reporting period were \$25,000 per annum (including superannuation where applicable) to each non-executive director. The Company's chairman, Andy Greig has chosen to not accept a (director) fee. Chris Dunks was appointed as an executive director and his fee was increased to \$73,000 per annum from 1 August 2016. If directors perform services for the Company that, in the opinion of the other directors, is outside the scope of the ordinary duties of the director, the Company may pay that director for those services in addition to the remuneration outlined above. During the current Financial Year Mr Treacy received \$2,400 of additional fees in relation to work undertaken on investor relations.

Executives

The remuneration structure for executives is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group. The executives receive payments provided for under an employment or service agreement, which may include cash, superannuation, short-term incentives, and equity based performance remuneration.

Joe David was appointed Chief Executive Officer (CEO) on 13 April 2021. The key terms of the employment agreement with Joe David were:

- Total Fixed Remuneration of \$275,000 per annum (inclusive of superannuation);
- Short term incentive of up to \$50,000 for the initial 12 months from 1 July 2021 based on the achievement of key performance indicators; and
- 6 months' notice of termination by either party.

Drew Speedy was appointed Chief Financial Officer (CFO) on 1 April 2019. The key terms of the employment agreement with Drew Speedy are:

- Total Fixed Remuneration of \$100,000 per annum (inclusive of superannuation);
- Annual cash bonus at the discretion of the board (no STI was granted during the 2021 or 2020 financial years); and
- 90 days' notice of termination by either party.

Remuneration Details of Key Management Personnel

The remuneration of the key management personnel of Elementos Limited for the year ended 30 June 2021 was as follows:

Year Ended 30 June 2021

Key Management Personnel	Short Term Benefits		Equity Settled Shares	Equity Settled Performance Rights	Post-Employment Superannuation	Total	Performance related %	% consisting of options
	Salary & Fees	Bonuses						
	\$	\$	\$	\$	\$	\$		
A. Greig	-	-	-	-	-	-	-	-
C. Dunks ⁽¹⁾	114,747	-	-	-	-	114,747	-	-
C. Nolan	22,831	-	-	-	2,169	25,000	-	-
C. Treacy ⁽²⁾	27,400	-	-	-	-	27,400	-	-
B. Smith	22,831	-	-	-	2,169	25,000	-	-
J. David ⁽³⁾	55,380	-	-	-	5,261	60,641	-	-
D. Speedy ⁽⁴⁾	124,810	-	-	-	11,857	136,667	-	-
	367,999	-	-	-	21,456	389,455		

1. During the period Mr Dunks received \$41,751 of additional fees in relation to work undertaken on investor relations and capital raisings.
2. During the period Mr Treacy received \$2,400 of additional fees in relation to work undertaken on investor relations.
3. Appointed CEO on 13 April 2021.
4. During the period Mr Speedy received \$35,000 of additional fees in relation to work undertaken on investor relations and capital raisings.

Year Ended 30 June 2020

Key Management Personnel	Short Term Benefits		Equity Settled Shares	Equity Settled Performance Rights	Post-Employment Superannuation	Total	Performance related %	% consisting of options
	Salary & Fees	Bonuses						
	\$	\$	\$	\$	\$	\$		
A. Greig	-	-	-	-	-	-	-	-
C. Dunks	72,996	-	-	-	-	72,996	-	-
C. Nolan	22,831	-	-	-	2,169	25,000	-	-
C. Treacy ⁽¹⁾	26,819	-	-	-	181	27,000	-	-
B. Smith ⁽²⁾	10,896	-	-	-	-	10,896	-	-
C. Creagh ⁽³⁾	155,942	-	-	25,692	13,014	194,648	13.2%	-
D. Speedy ⁽⁴⁾	119,424	-	-	-	11,345	130,769	-	-
	408,908	-	-	25,692	26,709	461,309		

1. During the period Mr Treacy received \$2,000 of additional fees in relation to work undertaken on investor relations.
2. Appointed Non-Executive Director on 24 January 2020.
3. Resigned as CEO on 31 March 2020 and ceased to be a KMP.
4. Transitioned from full-time to part-time in October 2019.

There was no equity-based remuneration for persons who were key management personnel of the Group during the year ended 30 June 2021.

Company Performance, Shareholder Wealth, and Director and Executive Remuneration

During the financial year, the Company has generated losses as its principal activity was mineral exploration.

The following table shows the share price of the Company since 2017.

	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Share Price at year end (\$)	0.017	0.005	0.006	0.006	0.0084

As the Company is still in the exploration and development stage, the link between remuneration, company performance and shareholder wealth is tenuous. Share prices are subject to the influence of metal prices and market sentiment towards the sector, and as such, increases and decreases might occur independent of executive performance and remuneration.

Options Granted as Remuneration

As noted above, there were no options or performance rights issued to key management personnel during the year ended 30 June 2021.

Shares Held by Key Management Personnel

Details of shares held directly, indirectly or beneficially by key management personnel during the year ended 30 June 2021 were as follows:

Key Management Personnel	Balance at 1 July 2020	Granted as Compensation	Received on Exercise of Options / Rights	Net change other	Balance at 30 June 2021
A. Greig	300,887,439	-	30,303,030	90,909,091	422,099,560
C. Dunks	19,687,505	-	-	-	19,687,505
C. Nolan	4,420,428	-	-	1,363,637	5,784,065
C. Treacy	28,000,004	-	-	3,636,364	31,636,368
B. Smith	-	-	-	2,540,866	2,540,866
J. David	-	-	-	-	-
D. Speedy	-	-	-	-	-
	352,995,376	-	-	98,449,958	481,748,364

Unlisted options held by Key Management Personnel

The number of options in Elementos Limited held by each key management person of the consolidated entity during the financial year is set out below. These figures do not include any options issued post year end. The options in this table are attaching options to shares that were issued

Key Management Personnel	Balance at 1 July 2020	Additions	Expired	Exercised	Balance at 30 June 2021
A. Greig	-	30,303,030	-	(30,303,030)	-
C. Dunks	-	-	-	-	-
C. Nolan	-	454,546	-	-	454,546
C. Treacy	-	1,212,122	-	-	1,212,122
B. Smith	-	-	-	-	-
J. David	-	-	-	-	-
D. Speedy	-	-	-	-	-
	-	31,969,698		(30,303,030)	1,666,668

Other transactions with Key Management Personnel

On 17 April 2019, the Company executed a loan facility with the Company's Non-Executive Chairman Mr Andy Greig, a related party, with the following key terms:

- Loan amount = \$2,000,000
- Loan term = 2 years
- Interest rate = 6.0% on drawn funds
- Unsecured
- No conversion rights

- No requirement to repay principal or pay interest during the loan term
- Repayable by the Company at any time (during the loan term)

During the period the Company undertook the following in relation to the loan facility:

- In parallel with the August 2020 Capital raising and following shareholder approval, \$500,000 of the outstanding loan balance was converted to equity on the same terms of the capital raising. The conversion resulted in the issue of 90,909,091 ordinary shares and 30,303,030 options with an exercise price of 0.9 cents per share and expiry of 31 August 2022.
- On 9 April 2021 the Company and Mr Greig agreed to exercise 30,303,030 share options with an exercise price of 0.9 cents per share through the conversion of \$272,727 of the outstanding loan balance.
- In parallel with the April 2021 Capital raising and following shareholder approval, \$569,246 of the outstanding loan balance and accrued interest was converted to equity on the same terms of the capital raising. The conversion resulted in the issue of 56,924,600 ordinary shares and 28,462,300 options with an exercise price of 1.5 cents per share and expiry of 30 April 2022. The shares and options were issued following shareholder approval on 14 July 2021.

End of Remuneration Report (Audited)

Options

At the date of this report, the unissued ordinary shares of the Company under options are as follows:

Unlisted Options

Grant Date/s	Expiry Date	Exercise Price	No. Under Option
14 August 2020	31 August 2022	0.9 cents	189,413,383
27 April 2021	30 April 2022	1.5 cents	312,750,000

The following ordinary shares were issued during and since the year ended 30 June 2021 on the exercise of options.

Grant Date/s	Exercise Price	No. of shares issued
14 August 2020	0.9 cents	70,889,719
27 April 2021	1.5 cents	65,712,300

Performance Rights

At the date of this report the following Performance Rights were on issue:

Grant Date/s	Expiry Date	Exercise Price	No. of Rights
9 July 2021	30 June 2023	Nil	37,500,000
9 July 2021	31 December 2023	Nil	37,500,000
9 July 2021	31 December 2025	Nil	7,500,000

Option and Performance Right holders do not have any rights to participate in any share issue or other interests in the Company or any other entity.

Directors' Meetings

The meetings attended by each director during the financial year were:

Directors	Board		Audit & Risk Committee	
	Meetings	Attended	Meetings	Attended
A. Greig	4	4	2*	0*
C. Dunks	4	4	2	2
C. Nolan	4	4	2	2
C. Treacy	4	4	2	2
B. Smith	4	4	2*	0*

* Mr Greig and Mr Smith are not members of the Audit & Risk Committee.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Elementos Limited support and, where practicable or appropriate, have adhered to the ASX Principles of Corporate Governance. The Company's corporate governance statement is set out in this Annual Report.

Indemnification and Insurance of Directors and Auditors

The Company has entered into a Deed with each of the directors whereby the Company has agreed to provide certain indemnities to each director to the extent permitted by the Corporations Act and to use its best endeavours to obtain and maintain directors' and officers' indemnity insurance, subject to such insurance being available at reasonable commercial terms.

The economic entity has paid premiums to insure each of the directors of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The contracts include a prohibition on disclosure of the premium paid and nature of the liabilities covered under the policy.

The Company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums in respect of any person who is or has been an auditor of the Company or a related entity during the year and up to the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-Audit Services

The auditors did not provide any non-audit services during the year (2020: Nil).

Future Developments and Likely Outlook

Planned developments in the operations of the Group and the expected results of those operations in subsequent financial years has been discussed where appropriate in the Annual Report under Review of Operations.

There are no further developments of which the Directors are aware which could be expected to affect the results of Group's operations and plans, other than information which the Directors believe comment on, or disclosure of, would prejudice the interests of the Group.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is attached to this financial report.

Signed in accordance with a resolution of the board of directors.



Chris Dunks
Director

Dated 28 September 2021
Brisbane, Queensland

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF ELEMENTOS LIMITED

As lead auditor of Elementos Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Elementos Limited and the entities it controlled during the year.

A handwritten signature in black ink, appearing to read 'D P Wright'. The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 28 September 2021

Shareholder Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 21 September 2021.

(a) Distribution of equity securities

The number of holders, by size of holding, in each class of security are:

	Ordinary Shares	
	No. Holders	No. Shares
1 - 1,000	77	14,544
1,001 - 5,000	72	210,082
5,001 - 10,000	69	551,855
10,001 - 100,000	749	39,971,758
100,001 and over	1,114	4,009,104,802
Total	2,081	4,049,853,041

	Share Options	
	No. Holders	No. Options
1 - 1,000	1	1
1,001 - 5,000	0	0
5,001 - 10,000	0	0
10,001 - 100,000	1	100,000
100,001 and over	164	502,063,382
Total	166	502,163,383

	Performance Rights	
	No. Holders	No. Rights
1 - 1,000		
1,001 - 5,000		
5,001 - 10,000		
10,001 - 100,000		
100,001 and over	2	82,500,000
Total	2	82,500,000

The number of shareholders holding less than a marketable parcel is 65.

Shareholder Information

(b) Twenty Largest Shareholders

The names of the twenty largest holders of Quoted Ordinary Shares are:

#	Registered Name	Number of Shares	% of total Shares
1	BOND STREET CUSTODIANS LIMITED <DAVKRE - D08642 A/C>	507,486,460	12.53%
2	CITICORP NOMINEES PTY LIMITED	303,218,939	7.48%
3	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	202,660,881	5.00%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	189,285,997	4.67%
5	TR NOMINEES PTY LTD	130,181,818	3.21%
6	J P MORGANS NOMINEES AUSTRALIA PTY LIMITED	105,867,906	2.61%
7	KEO PROJECTS PTY LTD <SUPERANNUATION FUND A/C>	102,000,000	2.52%
8	GOM PROPERTIES PTY LTD <DMF FAMILY A/C>	83,673,061	2.07%
9	JAMES CALAWAY*	60,020,768	1.48%
10	BNP PARIBAS NOMINEES PTY LTD <IOOF INSMT MGMT LTD DRP>	54,800,000	1.35%
11	GLEN LEWIS PTY LTD <SAMUEL MCCARDEL A/C>	49,900,000	1.23%
12	MR JOSEPH IGNATIUS D'SOUZA	48,640,000	1.20%
13	MCCUSKER HOLDINGS PTY LTD	45,000,000	1.11%
14	PAN ANDEAN CAPITAL PTY LTD	45,000,000	1.11%
15	SANGWILL PTY LTD <MC VAY FAMILY S/F A/C>	42,386,945	1.05%
16	MR CRAIG RONALD TINDALE & MRS GABRIELLE TINDALE	39,412,000	0.97%
17	LIONS BAY CAPITAL INC	35,689,305	0.88%
18	MR JOHN DOUGLAS JEFFERY & MRS ELSPETH LOUISE JEFFERY <GIBSON BROS HOLDING S/F A/C>	35,000,001	0.86%
19	BNP PARIBAS NOMS PTY LTD <DRP>	34,956,034	0.86%
20	CALVIN PATRICK TREACY*	31,636,368	0.78%
	Top 20 Total	2,146,816,483	53.01%
	Total of Securities	4,049,853,041	

* Merged holding

Shareholder Information

(c) Substantial Shareholders

The Company notes that, as at the date of this report, the following shareholders own substantial shareholdings ($\geq 5.0\%$) in Elementos Limited:

Name of Shareholder	Ordinary Shares	% of total Shares
BOND STREET CUSTODIANS LIMITED	507,486,460	12.53%
MARK WELLINGS	218,839,901	5.40%

(d) Voting rights

All ordinary shares carry one vote per share without restriction.

Options and Rights do not carry voting rights.

(e) Restricted securities

The Group currently has no restricted securities on issue.

(f) On-market buy back

There is not a current on-market buy-back in place.

(g) Business objectives

The Group has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.

Corporate Governance Statement

The board of directors of Elementos Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Elementos Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Elementos Limited's Corporate Governance Statement (which can be found on the Company's website www.elementos.com.au) is structured with reference to the Australian Securities Exchange ("ASX") Corporate Governance Council's (the "Council") "Corporate Governance Principles and Recommendations, 4th Edition", which are as follows. A copy of the eight Corporate Governance Principles and Recommendations can be found on the ASX's website.

The Board is of the view that, during the reporting period, with the exception of the departures from the ASX Guidelines as set out below, it otherwise complies with all of the ASX Guidelines.

ASX CGC Principle 1

Lay solid foundations for management and oversight.

Role of the Board

The Board of Directors is pivotal in the relationship between shareholders and management and the role and responsibilities of the Board underpin corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Group's needs.

Generally, the powers and obligations of the Board are governed by the Corporations Act and the general law.

Without limiting those matters, the Board expressly considers itself responsible for the following:

- Ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all relevant laws;
- Oversight of the Group including its framework of control and accountability systems to enable risk to be assessed and managed;
- Appointing and removing the chief executive officer;
- Ratifying the appointment and, where appropriate, removal of senior executives including the chief financial officer and the Group secretary;
- Input into and final approval of management's development of corporate strategy and performance objectives;
- Monitoring senior executive's performance and implementation of strategy;
- Ensuring appropriate resources are available to senior executives;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approving and overseeing Committees where appropriate to assist in the Board's function and powers.

The Functions, Powers and Responsibilities of the Board are set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

The board meets on a regular basis to review the performance of the Company against its goals both financial and non-financial. In normal circumstances, prior to the scheduled board meetings, each board member is provided with a formal board package containing appropriate management and financial reports.

Appropriate background checks are conducted on proposed new directors and material information about a director being re-elected is provided to security holders.

Written agreements are entered in to with directors and senior management clearly setting out their roles and responsibilities.

The company secretary works directly with the chair and the executive director on the functioning of all board and committee procedures.

Corporate Governance Statement

Diversity

The Group is committed to workplace diversity and ensuring a diverse mix of skills amongst its directors, officers and employees.

Recommendation 1.5 requires that listed entities should establish a policy concerning diversity. Whilst the Group does not currently have a Diversity policy due to its size and nature of its operations, it strives to attract the best person for the position regardless of gender, age, ethnicity or cultural background.

As at 30 June 2021, the proportion of women in the whole organisation is as follows:

	Male	Female
Board Members	5	-
Officers	2	-
Employees	5	2

Performance Evaluation

The Board (in carrying out the functions of the Remuneration and Nomination Committees) considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board.

No formal performance evaluation of the CEO has been undertaken to date.

No formal performance evaluation of the non-executive directors was undertaken during the year ended 30 June 2021.

ASX CGC Principle 2

Structure of the Board to be effective and add value

Nomination Committee

Recommendation 2.1 requires the Board to establish a nomination committee.

Although the Board has adopted a Nominations Committee Charter, the Board has not formally established a Nominations Committee as the Directors consider that the Company is currently not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board as a whole is able to address these issues and is guided by the Nominations Committee Charter. The Company will review this position annually and determine whether a Nominations Committee needs to be established.

The Nomination Committee Charter is set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

The Company is developing an appropriate board skills matrix. The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report is detailed in the Directors' report.

Corporate Governance Council Recommendation 2.4 requires a majority of the Board to be independent Directors. The Corporate Governance Council defines independence as being free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material capacity to bring independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.

In the context of Director independence, "materiality" is considered from both the Group and the individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered included whether a relationship is strategically important, the competitive landscape,

Corporate Governance Statement

the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Group.

In accordance with the Council's definition of independence above and the materiality thresholds set, all of the Company's directors except for those listed below are considered independent therefore the Group does currently comply with Recommendation 2.4:

Name	Position	Reason for non-compliance
A. Greig	Non-Executive Chairman	Director is a substantial (>5%) shareholder
C. Dunks	Executive Director	Director was engaged in an executive capacity within the previous 3 years

Elementos Limited considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its Board members. The Directors noted above have been appointed to the Board of Elementos Limited due to their considerable industry and corporate experience. The term in office held by each Director in office at the date of this report is as follows:

Name	Term in Office
A. Greig	5 years, 11 months
C. Dunks	5 years, 11 months
C. Nolan	12 years 2 months
C. Treacy	7 years 11 months
B. Smith	1 year 8 months

Directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Group's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Group. Informal induction is provided to any new directors.

ASX CGC Principle 3

Instil a culture of acting lawfully, ethically and responsibly

The Directors are subject to certain stringent legal requirements regulating the conduct both in terms of their internal conduct as directors and in their external dealings with third parties both on their own and on behalf of the Group.

To assist directors in discharging their duty to the Group and in compliance with relevant laws to which they are subject, the Group has adopted a Corporate Ethics Policy and Corporate Code of Conduct, whistleblower, anti-bribery and corruption policy within its Corporate Governance Charter.

The Corporate Ethics Policy sets out rules binding Directors in respect of:

- a Directors' legal duties as an officer of the Company;
- a Directors' obligations to make disclosures to the ASX and the market generally; and
- dealings by Directors in shares in the Company.

The Corporate Ethics Policy, as set out in the Company's Corporate Governance Charter is available from the corporate governance section of the Group's website.

ASX CGC Principle 4

Safeguard Integrity in Corporate Reporting

Audit Committee

The Board has established an Audit and Risk Management Committee which operates under a charter approved by the Board.

Corporate Governance Statement

Recommendation 4.1 states that an audit committee should be structured so that it:

- i. consists only non-executive directors;
- ii. consists of a majority of independent directors;
- iii. is chaired by an independent chair, who is not the chair of the Board; and
- iv. has at least three members.

The members of the Audit & Risk Management Committee are Corey Nolan, Calvin Treacy and Chris Dunks. The Committee is chaired by an independent director (Corey Nolan). While Messrs Nolan and Treacy are both non-executive directors, Chris Dunks was until 1 July 2021 engaged in an executive capacity. The majority of the Committee are independent directors, with only Chris Dunks not considered as being independent (based on the Council's definition). The Company does not presently comply fully with Recommendation 4.1 having not met point i above.

All members of the Audit & Risk Management Committee are considered financially literate in the context of the Company's affairs. The Company believes that given the size and nature of its operations, non-compliance by the Company with Recommendation 4.1 will not be detrimental to the Company.

The number of meetings of the Audit & Risk Management Committee held during the year and the number of meetings attended by each Director was as follows:

Member	Audit & Risk Management Committee	
	Number of meetings held while in office	Meetings attended
C. Nolan	2	2
C. Dunks	2	2
C. Treacy	2	2

The Audit Committee Charter is set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

Certification of financial reports

The Chief Executive Officer has made the following certifications to the Board:

- That the Group's financial reports are complete and present a true and fair view, in all material respects, of the financial position and performance of the Group and are in accordance with relevant accounting standards;
- The integrity of the reports is founded on a sound system of financial risk management and internal compliance and control.

The Chief Financial Officer has made the following certifications to the Board:

- That the Group's financial reports are complete and present a true and fair view, in all material respects, of the financial position and performance of the Group and are in accordance with relevant accounting standards;
- The integrity of the reports is founded on sound system of financial risk management and internal compliance and control.

The Group ensures that its external auditor is present at the AGM to answer any questions with regard to the efficacy of the financial statement audit and the associated independent audit report. The Board ensures that management provide sufficient additional information to ensure the integrity of periodic corporate reports disclosed to the market and, if appropriate, certain declarations are provided by management regarding the underlying assumptions and procedures that have been implemented to ensure this integrity.

Corporate Governance Statement

ASX CGC Principle 5

Make timely and balanced disclosure

The Group has adopted a corporate ethics and continuous disclosure policy which is included in the Corporate Governance Charter that duly complies with ASX and ASIC requirements for the timely and accurate reporting of the Group's financial activities, thus ensuring that the Group has disclosed all information which has a material impact on shareholders. This includes the Annual Financial Report, Interim Financial Report, quarterly cash flows, new and relinquished tenements and changes in directors and shareholder interests and other events which are identified to be material. All ASX announcements are available on the Group's website.

The Company Secretary is responsible for communication with the ASX, including responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and oversight of information distributed to the ASX.

ASX CGC Principle 6

Respect The Rights of Security Holders

The Board of directors undertakes to ensure that shareholders are informed of all major developments affecting the Group. Information is communicated to shareholders through the annual report, interim financial report, announcements made to the ASX, notices of Annual General and Extraordinary General Meetings, the AGM and Extraordinary General Meetings.

Information regarding the Group and its governance is available in the Corporate Governance Charter which can be found on the Group's website.

The Board encourages full participation of shareholders at Annual and Extraordinary General Meetings to ensure a high level of accountability and identification with the Group's direction, strategy and goals. In particular, shareholders are responsible for voting on the re-election of directors.

The Group also offers shareholders the option to receive ASX announcements and other notices from the Company electronically.

ASX CGC Principle 7

Recognise and manage risk

The Board has established an Audit and Risk Management Committee which operates under a charter approved by the Board.

Recommendation 7.1 states that an audit committee should be structured so that it:

- i. consists of a majority of independent directors;
- ii. is chaired by an independent chair, who is not the chair of the Board; and
- iii. has at least three members.

The members of the Audit & Risk Management Committee are Corey Nolan, Calvin Treacy and Chris Dunks. The Committee is chaired by an independent director (Corey Nolan). While Messrs Nolan and Treacy are both non-executive directors, Chris Dunks was until 1 July 2021 engaged in an executive capacity. The majority of the Committee are independent directors, with only Chris Dunks not considered as being independent (based on the Council's definition). The Company does not presently comply fully with Recommendation 7.1 having not met point i above.

All members of the Audit & Risk Management Committee are considered to have sufficient technical, legal and industry experience in the context of the Company's affairs to properly assess the risks facing the Group. The Company believes that given the size and nature of its operations, non-compliance by the Company with Recommendation 7.1 will not be detrimental to the Company.

The number of meetings of the Audit & Risk Management Committee held during the year and the number of meetings attended by each Director was as follows:

Corporate Governance Statement

Member	Audit & Risk Management Committee	
	Number of meetings held while in office	Meetings attended
C. Nolan	2	2
C. Dunks	2	2
C. Treacy	2	2

The Company has developed a basic framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. Further detail of the Company's risk management policies can be found within the Audit and Risk Management Committee Charter.

Recommendation 7.2 requires that the Board review the Company's risk management framework and disclose whether such a review has taken place. Business risks are considered regularly by the Board and management at management and Board meetings. A formal report to the Board as to the effectiveness of the management of the Company's material business risks has not been formally undertaken.

The Audit and Risk Management Committee Charter is set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

The Company does not have a separate internal audit function. The board considers that the Company is not currently of the size or complexity to justify a separate internal audit function, and that appropriate internal financial controls are in place. Such controls are monitored by senior financial management and the Audit and Risk Committee.

The Directors' Report sets out some of the key risks relevant to the Company and its operations. Although not specifically defined as such, the risks include economic, environmental and social sustainability risks. As noted above, the Company regularly reviews risks facing the Company and adopts appropriate mitigation strategies where possible.

ASX CGC Principle 8 Remunerate fairly and responsibly

Remuneration Committee

Although the Board has adopted a Remuneration Committee Charter, the Board has not formally established a Remuneration Committee as the Directors consider that the Company is currently not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board as a whole considers themselves to have sufficient legal, corporate, commercial and industry experience in the context of the Company's affairs to properly assess the remuneration issues required by the Group and is able to address these issues while being guided by the Remuneration Committee Charter. The Company will review this position annually and determine whether a Remuneration Committee needs to be established.

The Company believes that given the size and nature of its operations, non-compliance by the Company with Recommendation 8.1 will not be detrimental to the Company.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of executive Directors' and officer's remuneration to the Group's financial and operations performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key Executives
- attraction of quality management to the Group
- performance incentives which allow executives, management and staff to share the rewards of the success of Elementos Limited.

Corporate Governance Statement

For details on the amount of remuneration and all monetary and non-monetary components for Key Management Personnel during the period, please refer to the Remuneration Report within the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Remuneration Committee and the Board, having regard to the overall performance of Elementos Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits to directors other than statutory superannuation.

The Remuneration Committee Charter is set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

Remuneration Policy

The Group's remuneration policy is also further detailed in the Remuneration Report in the Directors Report.

Non-Executive Director Remuneration

Non-executive directors are remunerated at market rates for time, commitment and responsibilities. Non-executive directors are remunerated by fees as determined by the Board with the aggregate directors' fee pool limit of \$250,000. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Independent consultancy sources provide advice, as required; ensuring remuneration is in accordance with market practice. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold shares in the Company and are, subject to approval by shareholders, periodically offered options and/or performance rights.

The Company has adopted a Trading Policy that includes a prohibition on hedging, aimed at ensuring participants do not enter into arrangements which would have the effect of limited their exposure to risk relating to an element of their remuneration.

Other Information

Further information relating to the Group's corporate governance practices and policies has been made publicly available on the Group's web site.

**Consolidated Statement of Profit or Loss and
Other Comprehensive Income for the Year Ended 30 June 2021**

	Note	30 June 2021 \$	30 June 2020 \$
Interest income		1,768	341
Other income		60,650	50,000
Corporate and administrative expenses	2	(1,633,858)	(1,641,250)
Foreign Currency Gain / (Loss)		(40,947)	9,425
Loss before income tax expense		(1,612,387)	(1,581,484)
Income tax expense	3	-	-
Loss for the period attributable to members of the parent entity		(1,612,387)	(1,581,484)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange gains on translation of foreign operations		(160,625)	(51,093)
Other comprehensive income for the period, net of tax		(160,625)	(51,093)
Total comprehensive loss attributable to members of the parent entity		(1,773,012)	(1,632,577)
Basic and diluted loss per share (cents per share)	11	(0.05)	(0.08)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	5,542,252	199,176
Trade and other receivables		227,294	138,267
Total Current Assets		5,769,546	337,443
NON-CURRENT ASSETS			
Exploration and evaluation assets	5	11,390,716	9,438,708
Property, plant and equipment		4,730	-
Right of use assets		7,471	14,487
Other non-current assets		76,497	80,000
Total Non-Current Assets		11,479,414	9,533,195
TOTAL ASSETS		17,248,960	9,870,638
CURRENT LIABILITIES			
Trade and other payables	6	1,106,332	515,576
Lease liability		6,163	5,651
Borrowings	7	1,550,464	1,250,000
Total Current Liabilities		2,662,959	1,771,227
NON-CURRENT LIABILITIES			
Lease liability		9,931	16,260
Borrowings	7	-	1,065,303
Total Non-Current Liabilities		9,931	1,081,563
TOTAL LIABILITIES		2,672,890	2,852,790
NET ASSETS		14,576,070	7,017,848
EQUITY			
Contributed equity	8	28,740,673	19,699,725
Reserves		78,568	(51,093)
Accumulated losses		(14,243,171)	(12,630,784)
TOTAL EQUITY		14,576,070	7,017,848

The accompanying notes form part of these financial statements.

**Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2021**

	Note	Issued Capital	Accumulated Losses	Share- Based Payments Reserve	Foreign Currency Translation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2019		16,667,725	(11,442,500)	430,935	-	5,656,160
Loss for the period		-	(1,581,484)	-	-	(1,581,484)
Other comprehensive loss					(51,093)	(51,093)
Total comprehensive income		-	(1,581,484)	-	(51,093)	(1,632,577)
Issue of shares	8	3,000,000	-	-	-	3,000,000
Transfer of exercised performance rights		32,000	-	(32,000)	-	-
Issue and expiry of performance rights		-	-	(5,735)	-	(5,735)
Transfer of expired options		-	393,200	(393,200)	-	-
Balance at 30 June 2020		19,699,725	(12,630,784)	-	(51,093)	7,017,848
Loss for the period		-	(1,612,387)	-	-	(1,612,387)
Other comprehensive loss		-	-	-	(160,625)	(160,625)
Total comprehensive income		-	(1,612,387)	-	(160,625)	(1,773,012)
Issue of shares	8	9,426,181	-	-	-	9,426,181
Transaction costs	8	(885,233)	-	290,286	-	(594,947)
Conversion of loan to equity	7,8	500,000	-	-	-	500,000
Balance at 30 June 2021		28,740,673	(14,243,171)	290,286	(211,718)	14,576,070

The accompanying notes form part of these financial statements.

**Consolidated Statement of Cash Flows
For the Year Ended 30 June 2021**

		30 June 2021	30 June 2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
		1,768	341
Interest received		60,650	50,000
Government COVID Assistance		(1,545,995)	(1,022,864)
Payments to suppliers and employees		(698)	-
Interest Paid		-	(413,305)
Payments in relation to Oropesa Tin Project			
Net cash used in operating activities	10	(1,484,275)	(1,385,828)
CASH FLOWS FROM INVESTING ACTIVITIES			
		(1,672,631)	(255,288)
Payments for exploration and evaluation assets		(5,270)	-
Payments for property, plant and equipment		-	186,988
Proceeds received on acquisition of Oropesa Tin Project			
Net cash used in investing activities		(1,677,901)	(68,300)
CASH FLOWS FROM FINANCING ACTIVITIES			
		9,146,964	-
Proceeds from issue of shares	8	(594,948)	-
Costs associated with share issues	8	-	1,250,000
Proceeds from loan	7	(5,817)	(6,933)
Lease payments			
Net cash provided by financing activities		8,546,199	1,243,067
		5,384,023	(211,061)
Net increase/(decrease) in cash held		(40,947)	9,425
Net foreign exchange difference		199,176	400,812
Cash at Beginning of Year			
Cash at End of Year	4	5,542,252	199,176

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board. Elementos Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements are presented in Australian dollars.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. The financial statements are for the consolidated entity consisting of Elementos Limited and its Controlled Entities. Elementos Limited is a public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical cost. The financial report was authorised for issue on 28 September 2021 by the directors of the Company.

Financial information required for Elementos Limited as an individual entity is included in Note 21.

Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Group has not generated any revenues from operations. As at 30 June 2021 the Group had cash reserves of \$5,542,252, net current assets of \$3,106,587 and net assets of \$14,576,070. The Group incurred a net loss of \$1,612,387 for the year ended 30 June 2021 and had an outflow of \$1,484,275 of cash from operating activities.

The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on the ability of the Group to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Group has funded its activities through issuance of equity securities, and it is expected that the Group will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Group to continue operating based on the Company's cash flow forecast.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

COVID-19 Impacts

Elementos Limited remained relatively unaffected during the period by COVID-19. Staff worked remotely when possible and followed enhanced social distancing and health and safety procedures when at the workplace. Elementos received \$60,650 of Government assistance during the year (2020: \$50,000).

The Company is not expecting any significant impacts in the coming year.

Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Elementos Limited ("Company" or "parent entity") as at 30 June 2021, and the results of all subsidiaries for the year then ended.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

Elementos Limited and its subsidiaries together are referred to in these financial statements as “the Group” or “the consolidated entity”.

The names of the subsidiaries are contained in Note 19. All subsidiaries are accounted for by the parent entity at cost.

Subsidiaries are all entities over which the Group has control. The Group has control over an entity when the Group is exposed to, or has a right to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director.

Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income). Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/ (assets) are therefore measured at the amounts expected to be paid to/ (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses. Current and deferred income tax expense/ (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

The Company and its Australian 100% owned controlled entities have formed a tax consolidated group.

Members of the Group entered into a tax sharing arrangement. The agreement provides for the allocation of income tax liabilities between the entities in proportion to their contribution to the Group's taxable income. The head entity of the tax consolidated Group is Elementos Ltd.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation assets where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Restoration Costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The Group currently has no obligation for any restoration costs in relation to discontinued operations, nor is it currently liable for any future restoration costs in relation to current areas of interest. Consequently, no provision for restoration has been deemed necessary.

Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. No impairment existed at reporting date.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of less than 3 months.

Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Share Based Payments and Performance Rights

The Company makes equity-settled share based payments to directors, employees and other parties for services provided or the acquisition of exploration assets. Where applicable, the fair value of the equity is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black Scholes option pricing model. Where applicable, the number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the fair value of services rendered by other parties can be reliably determined, this is used to measure the equity-settled payment.

Interest income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Employee Benefits

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or overseas VAT), except where the amount of GST incurred is not recoverable. In these circumstances the GST (or overseas VAT) is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional and presentation currency of Elementos Ltd and its Australian subsidiaries is Australian dollars (\$A).

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were measured. Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period;
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to exploration and evaluation assets that have been capitalised are recognised by deducting the grant received from the carrying amount of the exploration and evaluation asset recognised on the statement of financial position.

Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period adjusted for any bonus elements in ordinary shares issued during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

New and Amended Standards and Interpretations Adopted During the Year

There were no new or revised accounting standards adopted that had any impact on the Group's accounting policies and required retrospective adjustments.

New Standards and Interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. The consolidated entity has decided against early adoption of these standards. The Consolidated Entity's has assessed the impact of these new standards that are not yet effective and determined that they are not expected to have a material impact to the Group's financial statements in the current or future reporting periods and on foreseeable future transactions.

Fair Values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their best economic interest. The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use. In measuring fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Judgements:

Exploration and Evaluation Assets

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to reporting date. Exploration and evaluation assets at 30 June 2021 were \$11,390,716 (2020: \$9,438,708). Based on review performed as at 30 June 2021, the Directors determined that it is still appropriate to continue capitalising costs in relation to the Group's area of interest.

Deferred Tax Assets

The Company is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity estimates its tax liabilities based on the consolidated entity's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the consolidated entity has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity, which is not part of the tax consolidated group, to satisfy certain tests at the time the losses are recouped. Due to the parent entity acquiring the entity that holds the losses it is expected that the entity will fail to satisfy the continuity of ownership test and therefore has to rely on the same business test. As at 30 June 2021 the consolidated entity has not received advice that the losses are unavailable, however should this change in the future the consolidated entity may be required to derecognise these losses.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 2: EXPENSES

	30 June 2021	30 June 2020
	\$	\$
Included in expenses are the following items:		
Depreciation	7,556	7,423
ASX, ASIC, share registry expenses	73,423	58,559
Business development and investor relations costs	142,749	120,472
Legal fees	19,632	62,333
Oropesa Tin Project operating costs	-	413,305
Insurances	39,457	42,612
Audit, tax and external accounting fees	72,574	97,619
Interest on loans	113,856	69,519
Employee benefits expense comprises:		
Salaries and wages	643,873	431,610
Consulting fees	255,990	108,215
Superannuation	45,752	37,122
Equity settled securities	-	(5,735)
Annual leave expensed	18,081	(4,037)

NOTE 3: INCOME TAX EXPENSE

	30 June 2021	30 June 2020
	\$	\$
The prima facie tax on the operating loss is reconciled to income tax expense as follows:		
Prima facie tax/ (benefit) on loss from ordinary activities before income tax at 26% (2020: 27.5%)	(419,221)	(587,213)
Adjust for tax effect of:		
Non-deductible amounts	35,211	209,993
Tax loss not recognised	385,524	272,421
Temporary differences recognised	-	-
Under/Over	(1,514)	104,799
Income tax expense/(benefit)	-	-

Deferred tax assets and liabilities not recognised, the net benefit of which will only be realised if the conditions for deductibility as set out in Note 1 occur:

Temporary differences	-	-
Tax losses	4,668,283	4,437,673

The Group has carried forward tax losses of \$22,653,181 in Australia, which must satisfy the Continuity of Ownership Test, or failing that, the Same Business Test, in order to be utilised in the future.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 4: CASH AND CASH EQUIVALENTS

	30 June 2021	30 June 2020
	\$	\$
Cash at bank and on hand	5,532,252	189,176
Short term deposits	10,000	10,000
	<u>5,542,252</u>	<u>199,176</u>

NOTE 5: EXPLORATION AND EVALUATION ASSETS

	30 June 2021	30 June 2020
	\$	\$
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	<u>11,390,716</u>	<u>9,438,708</u>
Movement in exploration and evaluation assets:		
Opening balance - at cost	9,438,708	5,436,336
Capitalised exploration expenditure	1,970,790	284,275
Capitalised exploration on initial recognition of Oropesa Tin Project	-	3,798,330
Foreign exchange differences	(18,782)	(80,233)
Carrying amount at the end of the year	<u>11,390,716</u>	<u>9,438,708</u>

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively, through the sale of the areas of interest.

NOTE 6: TRADE AND OTHER PAYABLES

	30 June 2021	30 June 2020
	\$	\$
Current:		
Trade payables and accrued expenses	1,076,657	503,982
Short term employee benefits	29,675	11,594
Total payables (unsecured)	<u>1,106,332</u>	<u>515,576</u>

The average credit period on purchases of goods and services is 30 days. No interest is paid on trade payables.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 7: BORROWINGS

	30 June 2021	30 June 2020
	\$	\$
Current:		
Unsecured:		
Loan ^{(a)(b)}	1,550,464	1,250,000
Total unsecured current liability	1,550,464	1,250,000
Non-Current:		
Unsecured:		
Loan ^(b)	-	1,065,303
Total unsecured non-current liability	-	1,065,303

(a) On 17 April 2019, the Company executed a loan facility with the Company's Non-Executive Chairman Mr Andy Greig, a related party, with the following key terms:

- Loan amount = \$2,000,000
- Loan term = 2 years
- Interest rate = 6.0% on drawn funds
- Unsecured
- No conversion rights
- No requirement to repay principal or pay interest during the loan term
- Repayable by the Company at any time (during the loan term)

As at 30 June 2021 the Company had undertaken the following with regards to the loan facility:

- Converted \$500,000 of loan principal and interest into equity of the Company see Note 8 for further details.
- Converted \$272,727 of loan principal to exercise 30,303,030 options with an exercise price of 0.9 cents per share.

As at 30 June 2021 the balance outstanding was \$477,273. Subsequent to the reporting period the loan facility was settled and closed, see Note 20 for further details.

(b) As part of the Oropesa Tin Project acquisition the Company acquired a loan owing from its newly acquired wholly owned subsidiary MESSPA to the Eurotin Inc. chairman Mr Mark Wellings, with the following key terms:

- Loan amount = CAD\$1,000,000
- Loan term = 2 years from grant date being 14 January 2020
- Interest rate = 5.0% on drawn funds
- Unsecured
- Conversion rights: subject to the Company's prior written consent (which may be given or refused in the Company's sole discretion) the principal amount and accrued interest may be converted into fully paid ordinary shares of Elementos Ltd. The conversion price is the higher of \$0.004 or the 20 trading day volume weighted average price of Elementos shares traded on the ASX.
- No requirement to repay principal or pay interest during the loan term
- Repayable by the Company at any time (during the loan term)

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

As at 30 June 2021 the balance outstanding was \$1,073,191. Subsequent to the reporting period the loan facility was settled and closed, see Note 20 for further details.

NOTE 8: CONTRIBUTED EQUITY

Fully paid ordinary shares

	2021		2020	
	No. of Shares	\$	No. of Shares	\$
Balance as at 1 July	2,548,330,961	19,699,725	1,544,330,961	16,667,725
Share issues:				
Issue of shares (a)	464,000,017	2,551,940		
Issue of shares (b)	140,545,487	773,029		
Issue of shares (c)	90,909,091	500,000		
Issue of shares (d)	2,540,866	6,490		
Issue of shares (e)	544,000,000	5,440,000		
Issue of shares (f)	68,162,445	613,472		
Issue of shares (f)	2,750,000	41,250		
Issue of shares – MESPA acquisition (g)	-	-	1,000,000,000	3,000,000
Issue of shares – exercise of rights (h)	-	-	4,000,000	32,000
Balance as at 30 June	3,861,238,867	29,625,906	2,548,330,961	19,699,725
Total transaction costs associated with share issues (i)		(885,233)		-
Net issued capital		28,740,673		19,699,725

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

Notes for the above table, relating to the year ended 30 June 2021, are:

- (a) On 6 August 2020, the Company announced that it had received commitments to complete a private placement of 464,000,017 shares to be issued at 0.55 cents per share with participants receiving an attaching option on a one for three basis, with an exercise price of 0.9 cents per share and expiry date of 31 August 2022. The transaction completed in two tranches as follows:
- On 14 August 2020 422,727,288 shares were issued at 0.55 cents per share and 140,909,121 unlisted options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022 were issued.
 - On 2 December 2020, following shareholder approval, 41,272,729 shares were issued at 0.55 cents per share and 13,757,578 unlisted options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022.
- (b) On 9 September 2020, the Company announced the successful completion of an oversubscribed Shares Purchase Plan (“SPP”) to existing shareholders raising \$773,000. The SPP completed as follows:
- On 9 September 2020 135,545,486 shares were issued at 0.55 cents per share.
 - Following shareholder approval at the 2020 Annual General Meeting the Company issued 5,000,001 shares at 0.55 cents per share and 1,666,668 unlisted options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022 to Directors that participated in the SPP.
 - The Company offered SPP participants up to 45,181,875 unlisted options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022 subject to a separate offer under a cleansing prospectus. On 7 December 2020, the Company issued 35,666,705 options under the cleansing prospectus.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

- (c) On 6 August 2020, the Company announced that it had entered into an agreement, subject to shareholder approval at the 2020 Annual General Meeting, to convert \$500,000 of the outstanding loan balance with Mr Andy Greig (Chairman). On 2 December 2020, following shareholder approval, Mr Greig received 90,909,091 ordinary shares with an issue price of 0.55 cents per share and 30,303,030 options with an exercise price of 0.9 cents per share and expiry date of 31 August 2022.
- (d) On 2 December 2020, following shareholder approval, the Company issued 2,540,866 ordinary shares to Mr Brett Smith (non-executive Director) in lieu of \$6,490 of outstanding fees.
- (e) On 19 April 2021, the Company announced that it had received commitments to complete a private placement of 544,000,000 shares to be issued at 1 cent per share with participants receiving an attaching option on a one for two basis, with an exercise price of 1.5 cents per share and expiry date of 30 April 2022.
- (f) During the period the following shares were issued on the exercise of options:
- 68,162,445 shares were issued on the exercise of options with an exercise price of 0.9 cents per share. Included in this were 30,303,030 options exercised by Mr Greig for a total of \$272,727.
 - 2,750,000 shares were issued on the exercise of options with an exercise price of 1.5 cents per share.
- (g) On 14 January 2020, the Company announced completion of the transaction with Eurotin Inc. for the acquisition of the Oropesa Tin Project. As a result of completion 1,000,000,000 convertible redeemable preference shares converted to 1,000,000,000 ordinary shares.
- (h) Issued on the exercise of vested performance rights, no funds were raised as this amount reflects the valuation of performance rights at the time of grant.
- (i) Transaction costs include \$290,286 of share based payment expense relating to BW Equities. Refer to note 15 for further details.

Options

	Note	Weighted average exercise price (cents)	30 June 2021 No. of Options	Weighted average exercise price (cents)	30 June 2020 No. of Options
Unlisted Share Options		1.25	546,390,657	-	-
Balance at the beginning of the reporting period		-	-	0.70	100,000,000
Options issued during the period:		-	-	-	-
- Broker Options	15	1.22	85,000,000		
- Placement attaching options		0.90	260,303,102		
- Placement attaching options		1.50	272,000,000		
Options exercised during the period:					
- Placement attaching options		0.90	(68,162,445)		
- Placement attaching options		1.50	(2,750,000)		
Expired		-	-	0.70	(100,000,000)
Exercisable at end of year		1.25	546,390,657	-	-

The weighted average remaining contractual life of the options was 1 year.

Capital Management

Exploration companies such as Elementos Limited are funded almost exclusively by share capital. In April 2019, the Group also entered in to a loan facility set out in more detail in Note 7 (Borrowings).

Management controls the capital of the Group to ensure it can fund its operations and continue as a going concern. Capital management policy is to fund its exploration activities principally by way of equity, and where required, debt

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

and/or project finance. No dividend will be paid while the Group is in exploration stage. There are no externally imposed capital requirements.

There have been no other changes to the capital management policies during the year.

NOTE 9: RESERVES

Foreign Currency Translation Reserve

The foreign currency translation reserve recorded exchange differences arising on translation of foreign controlled subsidiaries.

Share-Based Payments Reserve

The share-based payment reserve is used to recognise the fair value of options issued to employees and consultants. This reserve can be reclassified to retained earnings if options lapse.

NOTE 10: CASH FLOW INFORMATION

	30 June 2021	30 June 2020
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax:		
Loss after income tax	(1,612,387)	(1,581,484)
Non-cash flows in loss from ordinary activities:		
Depreciation	7,556	7,423
Equity settled compensation	6,490	(5,735)
Unrealised Foreign exchange	40,947	-
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	-	(40,123)
(Decrease)/Increase in payables	73,119	234,091
Cash flows from operations	(1,484,275)	(1,385,828)

Options and performance rights issued to employees and consultants for no cash consideration are disclosed in note 15.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

Reconciliation of cash and non-cash movements in borrowings from financing activities

	2020	Cash flows	Principal converted to equity	Principal converted to exercise options	Foreign exchange movements	2021
Lease liability	21,911	(5,817)	-		-	16,094
Borrowings	2,315,303	-	(500,000)	(272,727)	7,888	1,550,464
	2,337,214	(5,817)	(500,000)	(272,727)	7,888	1,566,558

	2019	Cash flows	Interest accrued	Acquired through acquisition	Foreign exchange movements	2020
Lease liability	27,401	(6,932)	1,442	-	-	21,911
Borrowings	-	1,250,000	-	1,096,000	(30,697)	2,315,303
	27,401	1,243,068	1,442	1,096,000	(30,697)	2,337,214

NOTE 11: LOSS PER SHARE

	30 June 2021	30 June 2020
	\$	\$
Net loss used in the calculation of basic and diluted LPS	(1,612,387)	(1,581,484)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic LPS	3,218,266,530	2,004,988,495

Options are considered potential ordinary shares. Options issued are not presently dilutive and were not included in the determination of diluted loss per share for the period. Shares and options issued subsequent to 30 June 2021 are also not dilutive. If the 188,614,174 shares issued since the end of the reporting period were issued on 1 July 2020, the loss per share for 30 June 2021 would have been (0.05) cents per share.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 12: COMMITMENTS

(a) Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The following commitments exist at reporting date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished, the expenditure commitment also ceases. The Group has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

	30 June 2021	30 June 2020
	\$	\$
Not later than 1 year	420,000	400,000
Later than 1 year but not later than 5 years	-	-
Total commitment	420,000	400,000

NOTE 13: CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period.

NOTE 14: RELATED PARTY TRANSACTIONS

Parent Entity

Elementos Limited is the legal parent and ultimate parent entity of the Group, owning 100% of all subsidiaries at 30 June 2021.

Subsidiaries

Interest in subsidiaries are disclosed in Note 19.

Key Management Personnel

	30 June 2021	30 June 2020
	\$	\$
Short-term employee benefits	367,999	408,908
Post-employment benefits	21,456	26,709
Equity-based payments	-	25,692
	389,455	461,309

On 17 April 2019, the Company executed a loan facility with the Company's Non-Executive Chairman Mr Andy Greig, a related party, for up to \$2,000,000. The Company had drawn \$1,250,000 under the loan and during the period made arrangements for the conversion of the loan to equity of Company and closing of the facility. Further details are contained in Note 7 and Note 20.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 15: SHARE-BASED PAYMENTS

During the year ended 30 June 2021 85,000,000 options were issued to the Company's corporate advisor BW Equities in relation to capital raising activities undertaken during the year. The amount recognised for the period under the share-based payment reserve in relation to share based payments amounts to \$290,286. As at 30 June 2021, none of the options had been exercised and all were vested and exercisable.

The fair value of options at grant date is determined using generally accepted valuation techniques that take into account exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the option and an appropriate probability weighting to factor the likelihood of the satisfaction of non-vesting conditions. The expected volatility is based on historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Inputs used to value the share options are as follows:

Number of options	40,000,000	45,000,000
Grant date	2-Dec-2020	13-Apr-2021
Expected volatility	125%	125%
Risk-free interest rate	0.25%	0.25%
Expected life	1.74 years	1.04 years
Model used	Black Scholes	Black Scholes
Value per option	\$0.00234	\$0.00437

The following table shows the number, movements and exercise price of options for the 2021 year.

Grant Date/s	Expiry Date	Exercise Price	Exercisable
2 December 2020	31 August 2022	0.9 cents	40,000,000
13 April 2021	30 April 2022	1.5 cents	45,000,000

The weighted average remaining contractual life of options outstanding at the end of the reporting period is 1 year. The 45,000,000 options were issued to BW Equities in August 2021. Refer to note 20 for further information.

NOTE 16: AUDITOR'S REMUNERATION

Remuneration for the auditor of the parent entity:

	30 June 2021	30 June 2020
	\$	\$
BDO Audit Pty Ltd and its related entities:		
Auditing or reviewing the financial reports	49,490	47,648
	49,490	47,648

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 17: FINANCIAL RISK MANAGEMENT**(a) Financial Risk Management Policies**

The Elementos Group's financial instruments comprises cash balances, receivables and payables, loans to and from subsidiaries. The main purpose of these financial instruments is to provide finance for Group operations.

Treasury Risk Management

Key executives of the Company meet on a regular basis to analyse exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the board.

Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk. These risks are managed through monitoring of forecast cash flows, interest rates, economic conditions and ensuring adequate funds are available.

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's cash flows from interest will fluctuate as a result of changes in market interest rates, arises in relation to the Group's bank balances. This risk is managed through careful placement of surplus funds in interest bearing bank accounts.

The Company has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant, is immaterial (2020: immaterial).

Liquidity Risk

Liquidity risk is the risk that the Group will not be able meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's activities are funded from equity and where required and available debt and/or project finance.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is their carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk arises from exposures to deposits with financial institutions and sundry receivables.

Credit risk is managed and reviewed regularly by key executives. The key executives monitor credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised; and
- all other entities are rated for credit worthiness taking into account their size, market position and financial standing.

At 30 June 2021, there was no concentration of credit risk, other than bank balances and on geographical basis with most financial assets in Australia (2020: nil).

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

(b) Financial Instrument Composition and Contractual Maturity Analysis

	30 June 2021	30 June 2020
	\$	\$
Financial assets:		
Within 6 months:		
cash & cash equivalents	5,542,252	199,176
receivables (i)	227,294	138,267
	5,769,546	337,443
Financial liabilities:		
Within 6 months:		
payables (i)	(1,106,332)	(515,575)
Within 12 months:		
Borrowings (ii)(a)	(1,550,464)	(1,250,000)
Lease liabilities	(6,932)	(6,932)
Greater than 12 months:		
Borrowings (ii)	-	(1,065,303)
Lease liabilities	(10,025)	(16,957)
	(2,673,753)	(2,854,767)

(i) Non-interest bearing. The contractual cash flows do not differ to the carrying amount.

(ii) Interest bearing with a weighted average interest rate of 6% per annum.

(a) Borrowings outstanding at 30 June 2021 were settled in full subsequent to the reporting period. See Note 20 for further details.

(c) Fair Values

Fair values of financial assets and financial liabilities are materially in line with carrying values due to their short term nature.

NOTE 18: SEGMENT REPORTING

Operating segments have been determined on the basis of reports reviewed by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia and Spain. Operating segments are determined on the basis of financial information reported to the board of directors.

Accordingly, management currently identifies the Group as having two reportable segments, being Australia and Spain. This has changed from previous reporting periods as a result of the completion of the Oropesa Tin Project acquisition.

Basis of accounting for purposes of reporting by operating segments.

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables, lease liabilities and borrowings.

2021

	Australia	Spain	Intercompany eliminations	Total
	\$	\$	\$	\$
Current assets	8,263,912	527,002	(3,021,368)	5,769,546
Non-current assets	5,561,979	5,917,435	-	11,479,414
Total assets	13,825,891	6,444,437	(3,021,368)	17,248,960
Current liabilities	787,161	4,897,166	(3,021,368)	2,662,959
Non-current liabilities	9,931	-	-	9,931
Total liabilities	797,092	4,897,166	(3,021,368)	2,672,890
Contributed equity	25,740,673	3,000,000	-	28,740,673
Reserves	290,286	(211,718)	-	78,568
Accumulated losses	(13,002,160)	(1,241,011)	-	(14,243,171)
Total equity	13,028,799	1,547,271	-	14,576,070
Loss for the period	(1,246,612)	(369,775)	-	(1,612,387)
Other comprehensive income for the period	-	(160,625)	-	(160,625)
Total comprehensive income for the period	(1,246,612)	(530,400)	-	(1,773,012)

2020

	Australia	Spain	Intercompany eliminations	Total
	\$	\$	\$	\$
Current assets	1,241,434	143,491	(1,047,482)	337,443
Non-current assets	5,499,444	4,033,751	-	9,533,195
Total assets	6,740,878	4,177,242	(1,047,482)	9,870,638
Current liabilities	1,543,695	1,275,013	(1,047,482)	1,771,226
Non-current liabilities	16,260	1,065,304	-	1,081,564
Total liabilities	1,559,955	2,340,317	(1,047,482)	2,852,790
Contributed equity	16,699,725	3,000,000	-	19,699,725
Reserves	-	(51,093)	-	(51,093)
Accumulated losses	(11,518,802)	(1,111,982)	-	(12,630,784)
Total equity	5,180,923	1,836,925	-	7,017,848
Loss for the period	(1,452,455)	(129,029)	-	(1,581,484)
Other comprehensive income for the period	-	(51,093)	-	(51,093)
Total comprehensive income for the period	(1,452,455)	(180,122)	-	(1,632,577)

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 19: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

	Country of incorporation	Ownership interest	
		2021	2020
Rockwell Minerals Pty Ltd	Australia	100%	100%
Rockwell Minerals (Tasmania) Pty Ltd	Australia	100%	100%
Elementos Minerales S.A.	Argentina	100%	100%
Elementos Chile Limitada	Chile	100%	100%
Elementos Spain Pty Ltd	Australia	100%	100%
Minas de Estano de Espana, S.L.U	Spain	100%	100%

NOTE 20: EVENTS AFTER REPORTING PERIOD

- Following shareholder approval on 6 July 2021, the following transactions occurred:
 - The issue of 66,000,000 shares with an issue price of 1 cent per share and 33,000,000 attaching options with an exercise price of 1.5 cents per share and expiry of 30 April 2022 in relation to the capital raising completed in April 2021.
 - The issue of 45,000,000 options with an exercise price of 1.5 cents per share and expiry of 30 April 2022 to BW Equities who acted as lead manager to the April 2021 capital raising.
 - The issue of 56,924,600 shares with an issue price of 1 cent per share and 28,462,300 attaching options with an exercise price of 1.5 cents per share and expiry of 30 April 2022 to Mr Andy Greig (Chairman) on conversion of the outstanding loan principal and interest. The loan facility was closed upon the issue of shares. See Note 7 for further details in relation to the loan facility.
- As announced on 8 September 2021, the Company executed an agreement with Mark Wellings (Eurotin Managing Director) and his entity, ZCR Corp, to settle the outstanding CAD\$1m loan facility due to mature in January 2022. A payment of CAD\$683,642 which is inclusive of interest was made during September 2021 to finalise the agreement.
- As announced on 9 July 2021, the Company issued 82,500,000 performance rights to executives of the company with company related performance vesting conditions.
- Subsequent to the reporting period the following options were exercised:
 - 2,727,274 options with an exercise price of 0.9 cents per option raising \$24,545; and
 - 62,962,300 options with an exercise price of 1.5 cents per option raising \$944,435.

Other than the events noted above, there are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 21: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Elementos Limited at 30 June 2021. This information has been prepared using consistent accounting policies as presented in Note 1.

	30 June 2021	30 June 2020
	\$	\$
Current assets	5,242,417	193,826
Non-current assets	14,418,375	12,141,209
Total assets	<u>19,660,792</u>	<u>12,335,035</u>
Current liabilities	781,946	1,553,286
Non-current liabilities	24,570	16,095
Total liabilities	<u>806,517</u>	<u>1,569,381</u>
Contributed equity	44,636,204	35,595,256
Reserves	290,286	-
Accumulated losses	(26,072,214)	(24,829,602)
Total equity	<u>18,854,276</u>	<u>10,765,654</u>
Loss for the period	(1,242,612)	(1,039,149)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>(1,242,612)</u>	<u>(1,039,149)</u>

The Company has no contingent liabilities, nor has it entered into any guarantees in relation to the debts of its subsidiaries (2020: nil).

The Company has not entered into any contractual commitments for the acquisition of property, plant and equipment (2020: nil).

NOTE 22: DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There are no franking credits available to the shareholders of the Company.

NOTE 23: ASSET ACQUISITION

As announced on 14 January 2020 the Company completed the acquisition of the Oropesa Tin Project from Eurotin Inc. The completion of the transaction represents the acquisition of the Oropesa Tin Project which includes the tenement and all historical exploration information including drilling results, core samples, environmental and development applications. No goodwill is recognised on the transaction.

As part of the acquisition Elementos assumed a CAD\$1m loan owed from MESPA to Eurotin's Chief Executive officer and Eurotin and subsequently Elementos' largest shareholder, Mark Wellings. The Loan is unsecured, accrues interest at a rate of 5.0% p.a. and is to be repaid by the second anniversary of the Final Completion. In support of the Loan Agreement, Elementos has issued to Mark Wellings a convertible debenture, pursuant to which Mark Wellings shall have the right to convert, from time to time, up to the principal amount and all accrued interest into Elementos shares at a price equal to the higher of the 20 day VWAP of Elementos shares preceding the date that Mark Wellings provides notice of his intention to convert and \$0.004 per share. Conversion during the term of the Convertible Debenture will be subject to Elementos' prior consent, other than during a 10 business day period at the end of the Convertible Debenture's terms.

At interim completion the Company issued 1,000,000,000 convertible redeemable preference shares to Eurotin Inc. shareholders. On 14 January 2020 the Company confirmed that final completion had occurred and the CRPS had converted on a 1 for 1 basis to 1,000,000,000 fully paid ordinary shares of Elementos Ltd.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

The Group has determined that the assets acquired did not include the sufficient inputs, processes and outputs to meet the definition of a business defined in the Australian Accounting Standards as at the date of acquisition and therefore is not a business combination. The acquisition has been accounted for as an asset acquisition.

Details of the relative fair value of the assets acquired and liabilities assumed at 14 January 2020 being the date control of MESPA was obtained, are as follows:

	14 January 2020 \$
Purchase Consideration	
Elementos Ltd ordinary shares	3,000,000
Total Purchase Consideration	<u>3,000,000</u>
Net assets acquired	
Cash	186,988
Trade and other receivables	97,887
Other assets	74,557
Exploration and Evaluation assets	3,798,330
Trade and other payables	(61,762)
Borrowings	<u>(1,096,000)</u>
Net identifiable assets acquired	<u>3,000,000</u>

Directors' Declaration

The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, including:
 - a. complying with Australian Accounting Standards and Interpretations which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date.
2. The executive director and chief financial officer have each declared under section 295A that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Australian Accounting Standards and Interpretations; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.



Chris Dunks
Director

28 September 2021
Brisbane, Queensland

INDEPENDENT AUDITOR'S REPORT

To the members of Elementos Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Elementos Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration and evaluation assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group carries exploration and evaluation assets in accordance with the Group's accounting policy for exploration and evaluation assets as set out in Note 1 and Note 5.</p> <p>The recoverability of exploration and evaluation asset is a key audit matter due to:</p> <ul style="list-style-type: none"> the significance of the total balance; and the level of procedures undertaken to value management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ('AASB 6') in light of any indicators of impairment that may be present. 	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation and considering whether the Group maintains the tenements in good standing. Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest, assessing the Group's cash flow budget for the level of budgeted spend on exploration projects, and held discussions with Directors of the Group as to their intentions and strategy. Enquiring of management, reviewing ASX announcements, and reviewing directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 22 to 26 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Elementos Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

D P Wright

Director

Brisbane, 28 September 2021

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