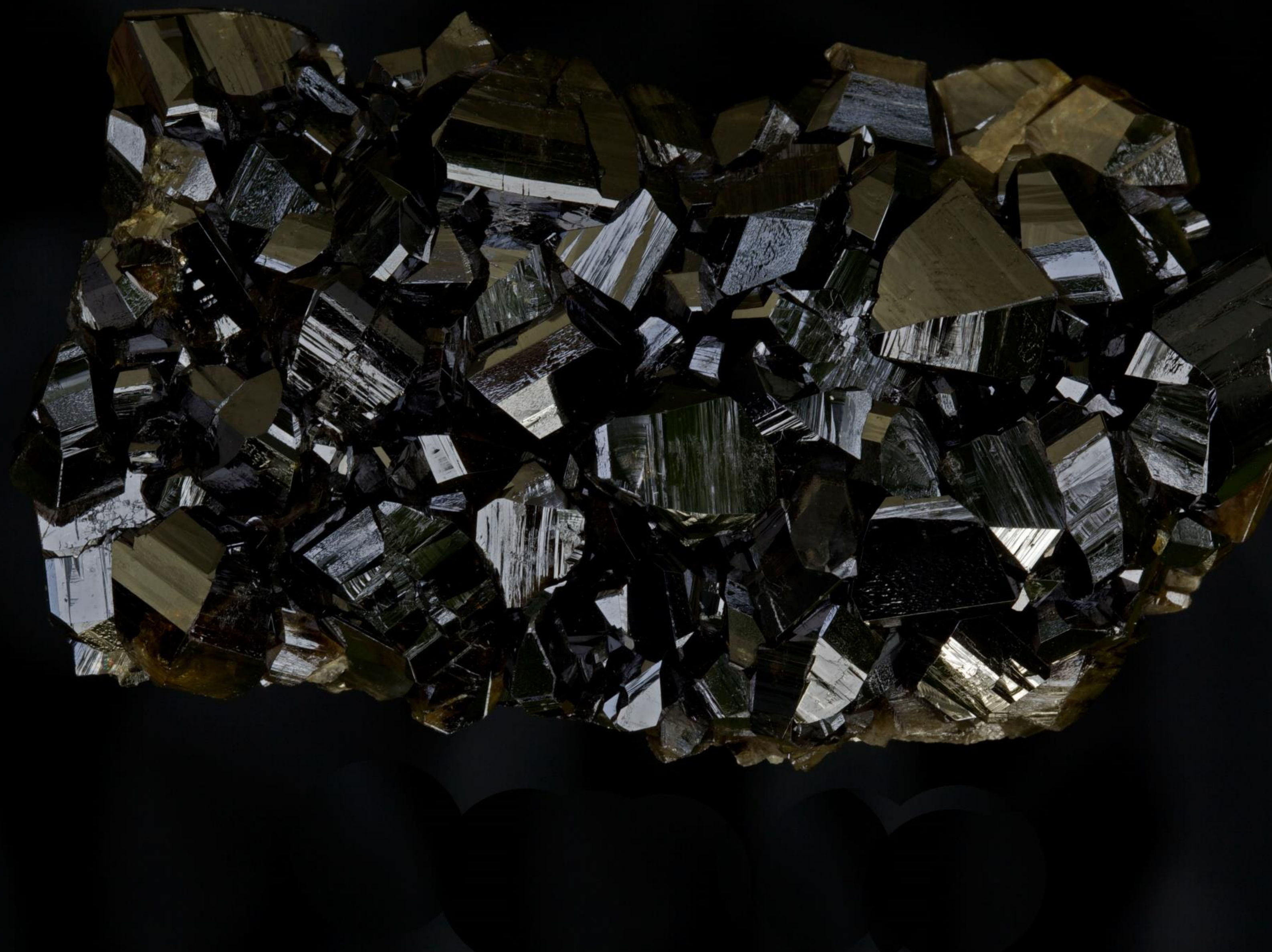
Elementos Limited
ABN 49 138 468 756
ASX: ELT

Annual Report

For the year ending
30 June 2022

elementos.com.au

ELEMENTOS
TOMORROW'S TIN



Corporate Information

Directors and Company Secretary

Mr Andy Greig (Non-executive Chairman)
M Joe David (Managing Director)
Mr Calvin Treacy (Non-executive Director, Chairman of the ESG Committee)
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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Stock Exchange Listing

Australian Securities Exchange Ltd
ASX Code: ELT

Australian Business Number

49 138 468 756

Banker

National Australian Bank Limited
Level 19, 259 Queen Street
Brisbane QLD 4000

Contents

00 Corporate Information

02 Chairman's Letter

04 Review of Operations

12 Environmental, Social and Governance

13 Tenement Interests

14 Resources and Reserves

17 Cautionary Statements

18 Directors' Report

35 Auditor's Independence Declaration

36 Shareholder Information

39 Corporate Governance Statement

46 Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2022

47 Consolidated Statement of Financial position as at 30 June 2022

48 Consolidated Statement of Changes in Equity for the Year Ended 2022

49 Consolidated Statement of Cash Flows for the Year Ended 30 June 2022

50 Notes to the Consolidated Financial Statements for the Year Ended 30 June 2022

74 Directors' Declaration

75 Independent Auditor's Report

Chairman's Letter

Dear fellow shareholders

The 2022 financial year has been a particularly busy but successful period for the company as we continue to develop our world-class tin projects.

We have positioned our Oropesa Tin Project in Spain to deliver Europe's first new significant tin mine in 2025, while at our Cleveland Tin Project in Tasmania, we are continuing exploration to assist with evaluating the options to restart tin, copper and tungsten production.

In March, we released an Optimisation Study (JORC defined Scoping Study) for Oropesa which confirmed it will deliver a low capital-intensive project, with a very competitive operational cost base, a Production Target of 15.5Mt, producing an average of 5,400t of tin concentrate for at least 13 years. It demonstrated a robust case for upgrading the project scale to 1.25Mtpa Run of Mine (ROM) rate, with average annual contained tin production projected at 3,350tpa.

The study supports the fact that Oropesa is likely to be one of the world's next significant tin projects. The project economics are robust and underlined the potential for it to supply tin into European supply chains as the world's demand for critical electrical components, solder and electrical contacts – and therefore, tin – continues to grow well above historic growth rates.

The study was based on the updated Mineral Resource Estimate completed for Oropesa in November 2021, which saw Elementos achieve a significant, and material increase to the geological confidence, tonnage and shallowness of parts of the deposit. We achieved a 50% increase in the Total Mineral Resource Estimate to 18.86Mt at 0.40% Sn at a 0.15% Sn cut-off compared to the 2018 estimate, a 78% increase in the Measured and Indicated Mineral Resource Estimate and a 1,200% increase to the Measured Mineral Resource Estimate.

The Optimisation Study was the basis for the regulatory submissions submitted in April 2022.

These are the key primary submissions required to achieve the exploitation (mining) licence and environmental approvals.

Major news for the Oropesa Tin project came in March when the Junta de Andalucia (Andalucían Government) publicly announced its high profile support for the project, assigning it to a Project Accelerator Unit to facilitate acceleration and the start-up and execution. Oropesa is one of only seven significant mining projects added to the unit, and we are confident this will expedite our regulatory process.

Elementos is now undertaking a Definitive Feasibility Study for the Oropesa Tin Project to further mature the project ahead of financing discussions. Thus far, we have executed a range of contracts to cover the major parts of the study, as well as completing a vast majority of on-ground and laboratory data sourcing to the required maturity including: geological, geotechnical hydrological, geohydrology, water quality, tailings quality, civil, survey, flora and fauna, metallurgical and ore sorting test work amongst others. We have engaged Wave International as Owners Engineer and DFS Report Author, working very closely with our Spanish project leads, employees, and consultants. We look forward to delivering the results of this work in 1H CY2023.

We are continuing to drill the Oropesa Project, with both infill and exploration programs underway, and this has confirmed near-surface tin mineralisation. This program aims to increase the confidence of the remaining Inferred Resource and identify further mineralised extensions.

At our Cleveland Project, we also completed drilling during the year, with the first hole intersecting significant tin-copper and tungsten mineralisation. We continue to await the remaining results from the program, however the first hole demonstrated further mineralisation at Cleveland, closer to the surface and to historical underground mine production drives. We plan to conduct downhole geophysical surveys and complete further geological interpretation before designing a targeted follow-up drill program.

Cleveland is a historic underground mine with excellent electrical, water and transport infrastructure, and we are keen to continue maturation of the asset once we have adequately defined the mineralisation.

Tin has displayed significant volatility, much like the global economy, during the year. Despite the recent drops in the tin price, it continues to be an exciting time to be in tin. The International Tin Association notes that it is one of the 'forgotten EV metals' and models that over the next decade, tin has many growth opportunities in solder, in lithium ion and other batteries, solar PV, thermoelectric materials, hydrogen-related applications and carbon capture.

Global tin demand is currently forecast to increase 3-4% CAGR to service the technology revolution, and we expect to see a significant deficit in tin metal markets by 2025, meaning our development at Oropesa is timed ideally to enter production. We'll continue driving its development over the next 12 months to ensure we can meet this goal.

I thank our shareholders for your ongoing support of Elementos over the past 12 months, not only through the share consolidation, but particularly those who exercised options from previous capital raises. This further investment in our company helped provide significant funds to progress the Oropesa DFS. In addition to the share consolidation, the company continued to simplify its capital structure, including settling an outstanding CAD$1.0m debt facility during the period.

I also thank our dedicated management team, led by Joe David who transitioned from Chief Executive Officer to Managing Director during the year and has been superb in leading Elementos into this critical phase of development at Oropesa. I also acknowledge Chris Dunks, who resigned as a Director in November 2021 after six years in the role, including time as Executive Director, as part of a much longer involvement with the Company. I thank him for his guidance, support and contribution over those years.

Elementos operates an integrated owners' team, and it would be remiss of me if I didn't also thank all our staff, consultants and contractors who work closely together to ensure we mature our assets in a safe and responsible way, whilst delivering value for our shareholders. The company operates across multiple time zones and jurisdictions around the globe and it's only with the correct attitude and leadership that we achieve the many goals we do.

The year ahead promises to be another busy one as we continue to move through critical development and approval phases at Oropesa while Cleveland also offers additional potential. We will be working hard to deliver on our goals and I look forward to keeping you updated on our progress.

Andy Grieg
Chairman

Review of Operations

Review of operations

Elementos Limited's strategy is to deliver sustainable shareholder value through the development of its portfolio of tin assets including Oropesa in Andalucia, Spain and Cleveland in Tasmania, Australia.

The company is focussed on maturing the Oropesa tin project through a Definitive Feasibility Study (DFS) after confirming it is one of the best undeveloped tin Mineral Resources in the world.

In addition, Elementos continued to develop the Cleveland Tin Project in Tasmania, with the immediate focus on determining the potential to increase the mineralisation of the project through exploration on prospective targets adjacent and below the existing resource.

Activities at Oropesa included the completion of an updated Mineral Resource Estimate. The Mineral Resource Update resulted in a 50% increase to the total Mineral Resource (18.86Mt), a 78% increase in the Measured and Indicated Mineral Resource Estimate to (16.21Mt) resulting in 88% of the Resources within the Measured and Indicated Categories. In addition, the project completed a series of feasibility development programs to further develop key engineering information to feed into the DFS, which was announced as the development pathway for the project on 12 July 2021.

Elementos continues to make progress at the Cleveland Project. Exploration drilling resumed in February 2022, with a four-hole exploration drilling campaign at its Cleveland tin-copper and tungsten project in Tasmania. Drilling aimed to test anomalies along strike northeast of the current resource and an additional target within the previously mined area.

The global tin market had an astounding yet volatile year. The tin price continued to respond strongly out of the pandemic years to record strong industrial demand, particularly for solar, semi-conductors and electronics. This drove the LME tin cash price from US$33,460/t to an un-precedented tin price of US$50,050/t, before finishing the year back at US$27,050/t (a -19% yoy reduction).

Oropesa Tin Project

Andalucia, Spain

The Oropesa Tin Project is located in Andalucia, Spain and 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.

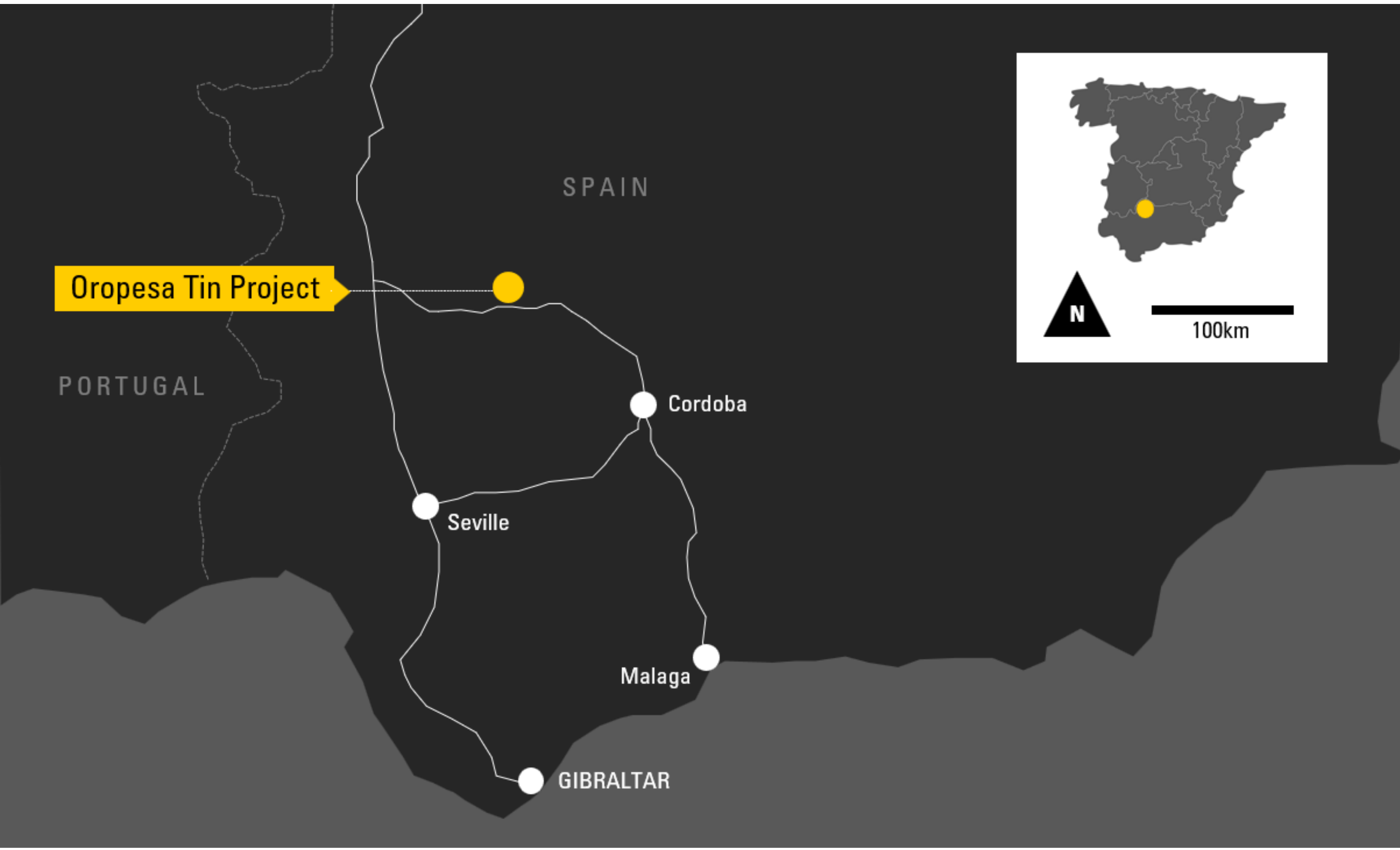
Oropesa consists of an exploration concession package (Investigation Permit No. 13.050) covering an area of 13.0km^2, located approximately 75km north-west of Cordoba and 180km north-east of Seville, in the region of Andalucía, in southern Spain. The Oropesa district has historically been a mining district for base metals and coal, with coal mining ceasing in recent times.

Tin mineralisation was first recognised at Oropesa in 1982. Intensive exploration activity since 2010, including 261 historic drill holes (54,026m), 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 (>99% 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.

Figure 1. *Oropesa Tin Project location*



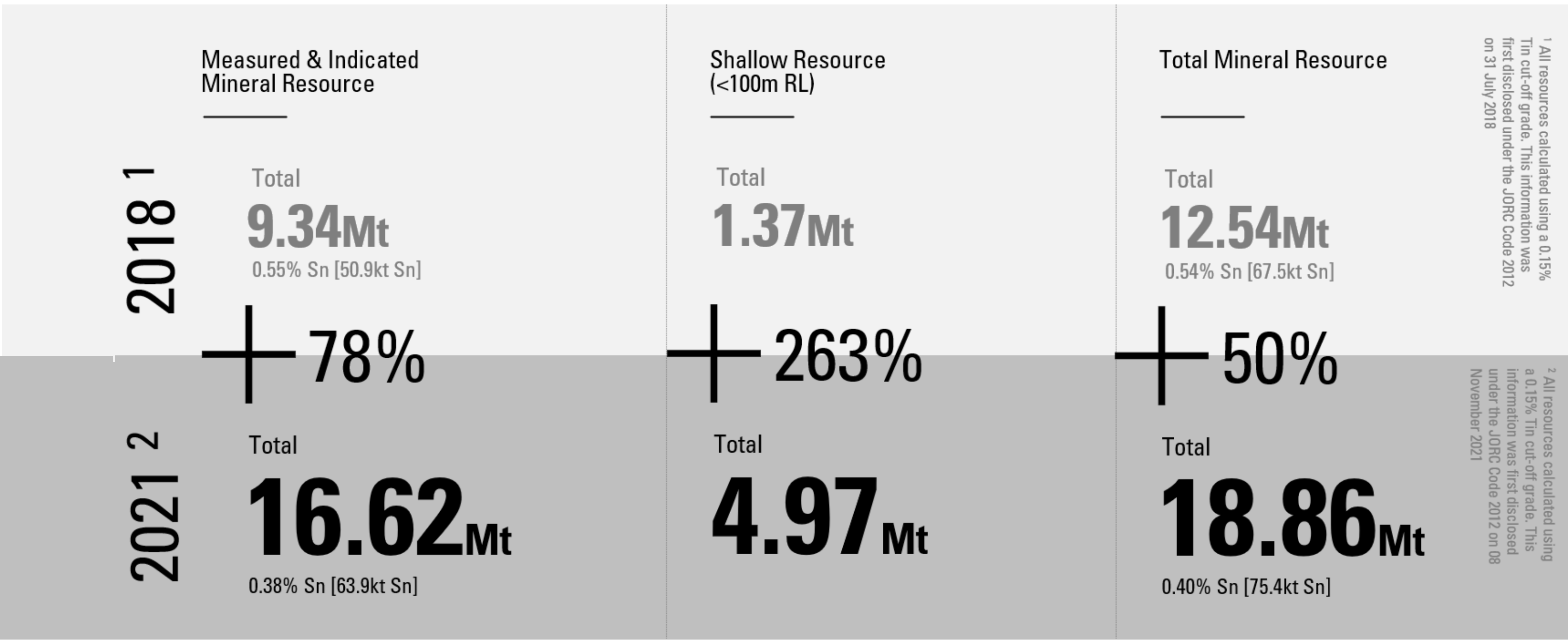


Figure 2. *Oropesa 2021 JORC Mineral Resources.*

Definitive Feasibility Study

The company announced the commencement of the Oropesa Tin Project Definitive Feasibility Study (DFS) on 12 July 2021.

The DFS is progressing in many parallel workstreams.

Key DFS Contracts awarded

- Appointment of Wave Europe BV (Wave International) as Owners Engineer and DFS Author for Oropesa Project
- Geociencia y Exploraciones Maritimas S.L. (GEM) was contracted to finalise the design of the Tailings Dam & Waste Dump Design.
- Norvento Ingenieria S.L.U has been contracted to develop the engineering for power connections to the local power grid. Elementos is also studying alternate energy sources on both a stand-alone and hybrid power model.

Process Plant Contractors

- A detailed Request for Proposal process has been run to engage suitably qualified Process Plant contractors into an Early Contractor Involvement process to develop the engineering to support the DFS. The company continues to engage with a number of parties and will inform the market when the selected contractor is awarded.

Contract Miner Engagement

- Seven contract miners with significant operations in Spain have been issued the first of a two-phase tender process to update key economic data in the lead up to the next phase of DFS mine planning.

Resource Drilling

- The company commenced a 1,590m infill diamond drilling campaign over nine holes at Oropesa, designed to convert the remaining Inferred Resources sitting within the proposed US$30,000/t mining pit shell (6% of 15.5Mt 2022 Production Target[2]) identified in the project's Optimisation Study[2]
- The company also announced after the infill drilling a follow-up exploration drilling program will commence to test mineralised extensions to open ended mineralisation trends (outside the current Mineral Resource) identified in the 2021 drilling campaign.

Metallurgical test work

- Pilot scale test work has been completed as of the date of this report and final balances and reporting are underway. The company will update the market as soon as this is peer reviewed and the reports are finalised.
- Variability test work is in the final phases. The final variability metallurgical results will be used to develop metallurgical regressions to support mine planning and process engineering development.

- The company continues to also investigate producing a separate zinc concentrate from the sulphide tailings. This has the potential, pending economic confirmation, to produce a second concentrate and revenue stream for the project.

Ore Sorting Test Work

- During the period, the company conducted a 'cascade test' to further refine the optimal ore sorting settings at the TOMRA facilities in Hamburg, Germany.

- Following the quarter, three further bulk samples were run at revised ore sorting settings. The company is awaiting the final assays to establish if further improvements have been realised.

Civil Investigations

- In addition to designing the tailings dam, GEM has been contracted to conduct civil, geotechnical and seismic investigations and assessment for key infrastructure locations including the process plant pad, crushing hub, waste dump and water dam locations.

Geotechnical Reporting

- Following a material review and peer assessment the Geotechnical reporting is in the final stages of completion to establish the pit slope design criteria to support DFS mine planning.

Surface and Groundwater

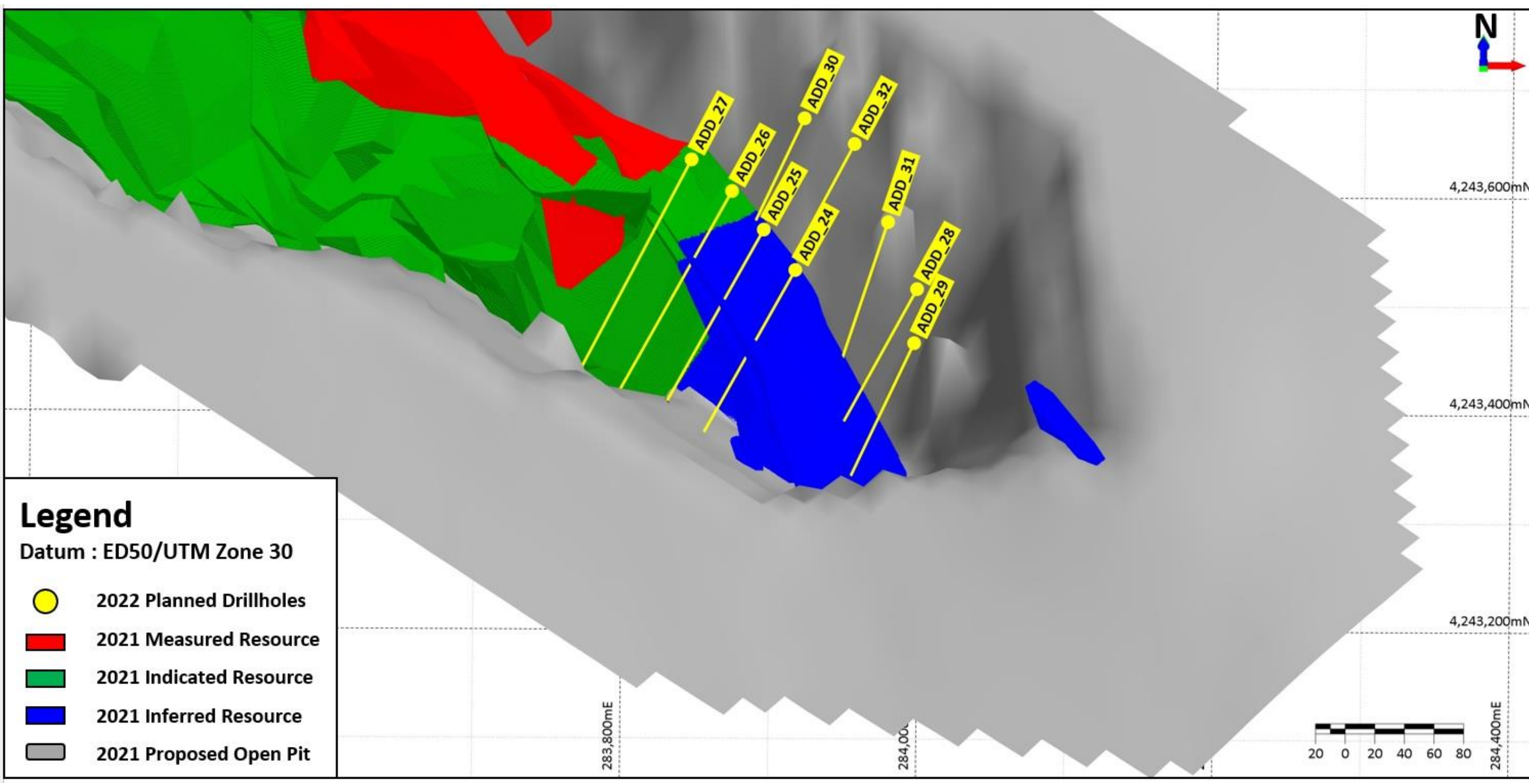
- Meetings have been held with National Water authorities to further refine modelling inputs.

- Realtime monitoring program on boreholes is ongoing.

- 19 water monitoring bores have been installed across the project.

- Additional water bore investigations are underway on site to ascertain contingency sources, with a number of off-tenement sources being identified as prospective.

Figure 3: *Location of the 2022 infill drilling program holes, more details see announcement 29 June 2022*



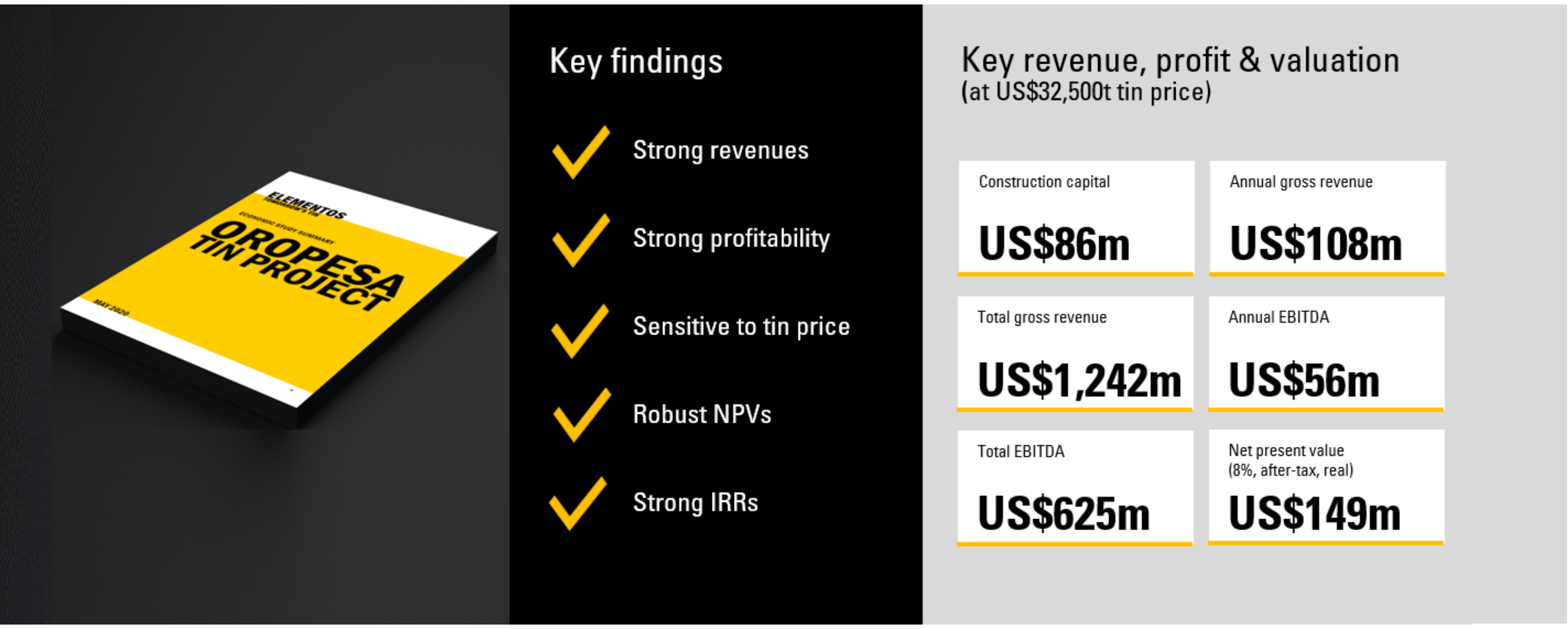


Figure 4: *Summary of Oropesa Optimisation Study financial and technical information (forecast numbers are approximate)*[5]

Optimisation Study

The company completed an Optimisation Study in March 2022 (JORC level Scoping Study) which confirmed a robust 1.25Mtpa project, capable of producing 3,350 tonnes of contained tin per year.

On a base case tin price of US$32,500 per tonne, the Study has confirmed:

- Pre-tax ungeared NPV8% of approximately A$292m and post-tax NPV8% of approximately A$198m
- Pre-tax Internal Rate of Return is approximately 46%
- Mine life of at least 13 years, Payback period of ~ 2.5 years

Oropesa's strong Study economics, are based on a long-term tin price assumption of US$32,500/t.

The Study underwrites a globally significant tin project, with a Production Target of 15.5Mt RoM Ore.

Elementos used a 1.25Mtpa mining and 1.0Mtpa processing rate as the basis of an Oropesa Definitive Feasibility Study and for Spanish Environmental & Mining licence applications.

Regulatory Submissions

On 6 April 2022, the company submitted three key regulatory documents to the Junta de Andalucía (Government of Andalucía, Spain) required to attain a Mining Licence (Exploitation Licence) and Environmental Authorisation (Autorización Ambiental Unificada - AAU) for Oropesa.

These lodged documents for assessment include:

1. Exploitation (Mining) Project
2. Restoration Plan
3. Environmental Impact Study.

Elementos has been advised the expected assessment timeframe for a project of this magnitude is approximately 15 to 18 months. However, following the project's recent nomination to the Project Accelerator Unit (Unidad Aceleradora de Proyectos), the company will work closely with the Andalucian government to establish whether this timeframe may be expedited. With approximately 12-months remaining to complete the Definitive Feasibility Study, to be delivered H1-2023, the approvals process parallels neatly with the forecast completion of the study.

Cleveland Tin Project

Tasmania, Australia

The Cleveland Project is located at Luina, approximately 80km from Burnie in north-western Tasmania, Australia. 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.

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

In 2018, the company completed an update to the JORC Resource Estimate for hard rock resources for Cleveland. The total contained tin within the revised 2018 JORC 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 is being steadily progressed towards development. A 1,130m four-hole exploration drilling campaign started in February testing anomalies along strike north-east of the current resource and an additional target within the previously mined area. Drilling was supported by the Tasmanian Government's $50,000 Exploration Drilling Grant Initiative program.

Figure 5. *Cleveland Tin Project location*

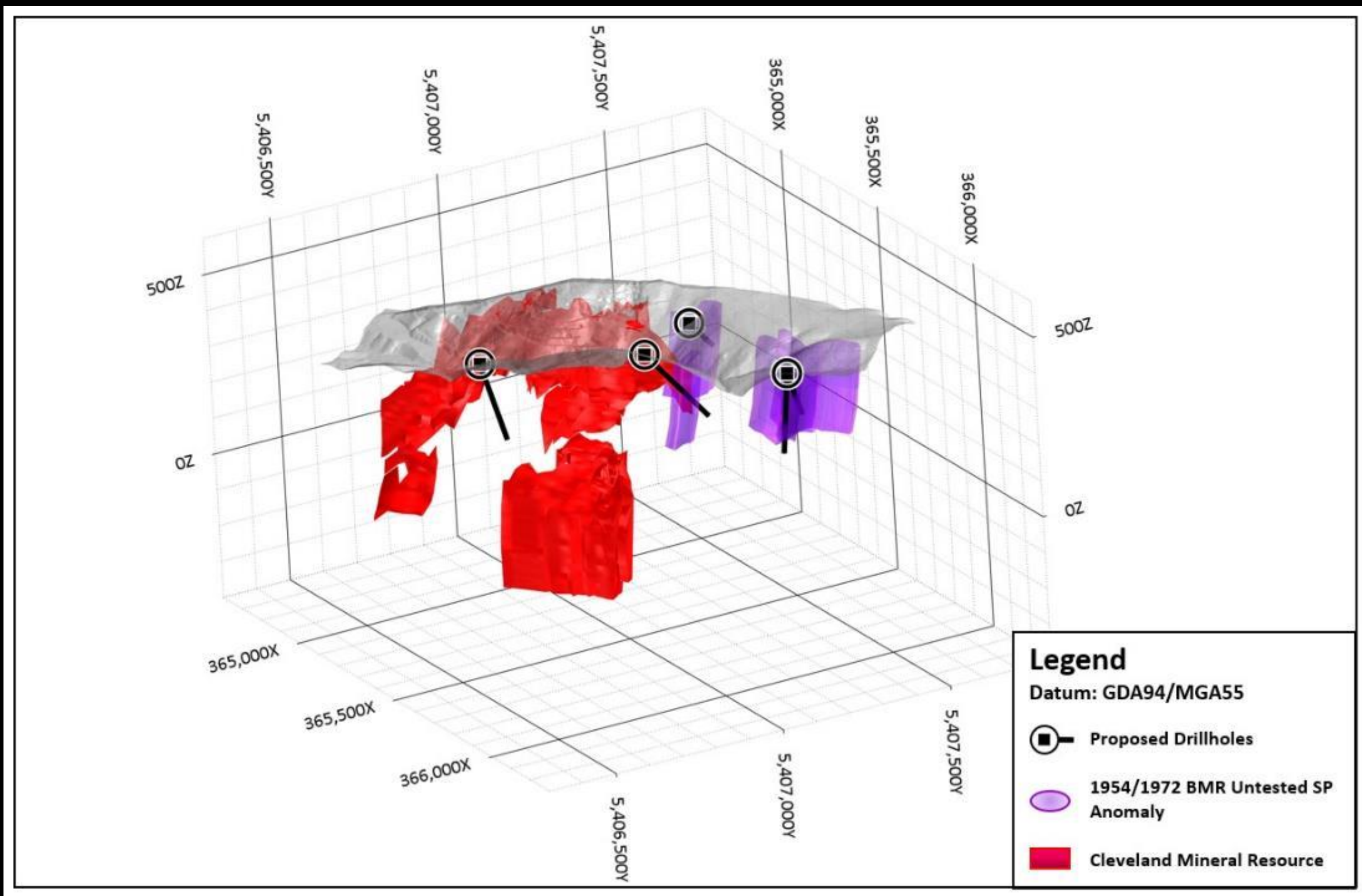


Figure 6. *3D model of the location of the planned 2022 Cleveland drilling program looking SE towards NW*

The company has, as of the date of this report, only received the assays from one hole - C2119. Drilled to a depth of 300m, drill hole C2119 targeted an untested zone between north-east dipping and southwest dipping limbs of the historical underground mine workings at Cleveland and its current JORC 2012 compliant Mineral Resource. Hole C2119, in an area with very little historical exploration, indicates a significant development at Cleveland by extending both the Battery Tin Copper Lode and identifying new tungsten mineralisation 150m above the existing Foley’s Zone. This appears as firm evidence that the current Cleveland Mineral Resource and geological model does not fully encapsulate the immense potential of the deposit. We’ve shown further mineralisation exists, close to the current resource, closer to the surface and in very close proximity to historical underground mine production drives.

Environmental, Social & Governance

Following Elementos' initial Environmental, Social and Governance (ESG) Position Statement in 2021 the company has made further commitments to developing its global tin assets in a responsible way.

Elementos has subsequently:

- ✓ Established an ESG sub-committee of the Board of Directors,
- ✓ Submitted an Environmental Impact Study and Restoration Plan for the Oropesa Project in Spain which is designed to comply with European regulations and OECD guidance.
- ✓ Completed a global ESG disclosure framework review which identified the Tin Code as a leading and appropriate ESG reporting standard.
- ✓ Established a plan with the International Tin Association (ITA) to commence reporting against the Tin Code whilst still a project developer (subject to final agreement with ITA).
- ✓ Improved long-term relationships with the community and committed to the economic development of the mine via our application for the Oropesa Exploitation licence.

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

Tin Code Reporting Plan

During this financial year, Elementos performed a strategic review on ESG disclosure expectations and frameworks and found the International Tin Association's (ITA) Tin Code to be an effective reporting format to cover the key ESG issues. The Tin Code is the global ESG reporting framework specifically designed for the tin sector and used by the world's largest tin mining, smelting and recycling companies. As the Tin Code is not yet formally available to explorers and developers, Elementos initiated discussions with the ITA on participation which are moving forward. Subject to a final agreement with the ITA, Elementos aims to achieve the first public Tin Code report for a tin mine developer during 2023.

Background on the Tin Code

The Tin Code ESG reporting tool has 10 Principles supported by more than 70 Standards. These standards are specific to various tiers of the supply chain, with many being relevant to mine operators and others to smelters or secondary recycling companies and vice-versa. Company evidence for each standard is independently evaluated by an external assessor against a range of indicators to demonstrate progressive improvement with an expectation to achieve conformance in priority areas and to increasingly make use of assurance for further validation. This approach has been adopted to provide an opportunity for positive change among all operators.

The Tin Code reflects leading ESG standards & international expectations including;

- ISO (14001, 9001, 45001, 37001)
- OECD Guidance for responsible supply chains
- ILO Convention standards
- RMI Risk Readiness Assessment
- Investor expectations & more

The Tin Code is accepted and recognised by leading external organisations:

- LME passport – listed multi-dimensional ESG reporting tool
- LME Responsible Sourcing – Standard 7.3 conditionally approved for 'Track A'
- Responsible Steel – recognition in progress
- ICMM Mining Principles – equivalency in progress

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 Cleveland project located in Tasmania at 30 June 2022 compared to 30 June 2021 and the Oropesa Tin Project located in Spain at 30 June 2022 compared to 30 June 2021, is set out overleaf. For details regarding any movement in the Reserve or Resource between the reporting period refer to the Review of Operations.

Figure 7. *A view of our acreage at the Oropesa Tin Project in southern Spain with a drill rig in the foreground and the local town of Fuente Obejuna in the background.*

Resources and Reserves

Oropesa Project

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

30 June 2022

Category	Tonnage (Kt)	Sn Grade %	Contained Sn (t)
Measured	4,295	0.41	17,640
Indicated	12,326	0.38	46,321
Sub: Measured & Indicated	**16,621**	**0.38**	**63,961**
Inferred	2,237	0.51	11,457
Total	**18,858**	**0.40**	**75,418**

2021 Oropesa Mineral Resource Estimate at a 0.15% Sn cut-off
Table subject to rounding errors; Sn = tin

30 June 2021

Category	Tonnage (Kt)	Sn Grade %	Contained Sn (t)
Measured	330	1.09	3,585
Indicated	9,010	0.53	47,320
Sub: Measured & Indicated	**9,340**	**0.55**	**50,905**
Inferred	3,200	0.52	16,615
Total	**12,540**	**0.54**	**67,520**

July 2018 Oropesa Mineral Resource Estimate at a 0.15% Sn cut-off
Table subject to rounding errors; Sn = tin

Significant changes in the 30 June 2022 Resource Estimate compared to the 2018 Resource Estimate are;

- a 50% increase in the Total Mineral Resource Estimate to 18.86Mt from 12.54Mt
- a 78% increase in the Measured and Indicated Mineral Resource Estimate to 16.21Mt from 9.34Mt
- a 1,200% increase to the Measured Mineral Resource Estimate to 4.30Mt from 0.33Mt
- a 37% increase to the Indicated Mineral Resource Estimate to 12.33Mt from 9.01Mt
- a 30% reduction to the Inferred Mineral Resource Estimate to 2.24Mt from 3.20Mt
- a 25% increase to the Measured and Indicated contained metal tonnes to 63.9kt from 50.8kt

See ASX Release on 8th November 2021 “Oropesa Tin Project – Mineral Resource Estimate”

Cleveland Project

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 2021 and 30 June 2022 – 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 2021 and 30 June 2022 – 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 2021 and 30 June 2022 – unchanged

Category	Tonnage (Mt)	WO_3 Grade %
Inferred	4.00	0.30

Table subject to rounding errors; WO_3 = 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.

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.

***Figure 8**. Access road into the Oropesa Tin Project in Andalucia, Spain with a local farmers shed on the right.*

Cautionary Statements

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Elementos undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

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

For more information on specific risks associated with forward looking statements refer to the Risk Assessment section of the announcement "Optimisation Study Oropesa Tin Project", 29th March 2022.

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 JORC Resource Significantly Expanded, 5 March 2014 (tungsten resource);

2. Cleveland Tailings Ore Reserve, 3 August 2015;

3. Substantial Increase in Cleveland Open Pit Project Resources following revised JORC study, 26th September 2018;

4. Oropesa Tin Project - Mineral Resource Estimate, 8th November 2021

5. Optimisation Study Oropesa Tin Project, 29th March 2022

References to Previous Releases

1. Optimisation Study Oropesa Tin Project, 29th March 2022
2. Oropesa Tin Project - 2022 Drilling Program, 29 th June 2022
3. Cleveland Tin & Tungsten Mineralisation, 15th June 2022
4. Regulatory Documents Submitted for Oropesa Tin Project, 7th April 2022
5. Government support for Oropesa Tin Project, 10th March 2022
6. Elementos CEO Joe David appointed Managing Director, 28th Jan 2022
7. Update - Consolidation/Split – ELT, 1st Dec 2021
8. Director Resignation, 26th Nov 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

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 2022.

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 Joe David (appointed 27 January 2022)
Mr Brett Smith
Mr Corey Nolan
Mr Calvin Treacy
Mr Chris Dunks (resigned 26 November 2021)

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.

Joe David - (appointed 27 January 2022)
Managing Director

Mr David joined Elementos as Chief Executive Officer in April 2021 and was appointed Managing Director in January 2022.

His career has spanned executive roles with private equity, listed and private mining companies, an Associate Director within M&A advisory as well running his own project development consulting company. He has managed the development of natural resource projects, bankable feasibility studies, exploration and metallurgical programs, project financing, corporate finance advisory, corporate strategy, and mergers and acquisitions.

Mr David is a Mining Engineer (AusIMM), Civil Engineer and holds a Commerce Degree in Finance.

Mr David is a member of the ESG Committee.

Mr David 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.

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

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), Prodigy Gold (May 2016 to present) and Nico Resources Limited (January 2022 to present).

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 and ESG Committee.

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

Chris Dunks - (resigned 26 November 2021)
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 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 was 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).

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, options and rights issued by the Company are shown in the table below:

Directors	Shares	Rights
A. Greig(1)	20,748,457	-
J. David	69,742	2,200,000
B. Smith(1)	161,635	-
C. Nolan(1)	249,545	-
C. Treacy(1)	1,363,940	-

(1) The Company has agreed to issue 360,000 share options to each Non-executive Director subject to shareholder approval at the 2022 Annual General Meeting. The share options have an exercise price of $1.10, expiry date of 31 May 2025 and vest immediately upon grant.

Principal Activities

The principal activity of the Group during the year was exploration and project development activity in relation to the Oropesa Tin Project. The Group is also exploring the Cleveland tin-copper-tungsten Project, 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 $2,230,637 (2021: $1,612,387).

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 2021, the Company had 3,861,238,867 ordinary shares and 461,390,657 unlisted options on issue.

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 31 July 2023, 37,500,000 performance rights have an expiry date of 31 January 2024 and 7,500,000 performance rights have an expiry date of 31 January 2026.

On 6 July 2021, following shareholder approval, 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 unlisted 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 56,924,600 shares with an issue price of 1 cent per share and 28,462,300 attaching unlisted 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.

Between 1 July 2021 and the share consolidation date of 1 December 2021 the following options were exercised:

- 8,691,465 options with an exercise price of 0.9 cents per option raising $78,223; and
- 69,212,300 options with an exercise price of 1.5 cents per option raising $1,038,185.

On 1 December 2021, following shareholder approval, the Company undertook a 25:1 consolidation of the ordinary shares on issue. The consolidation resulted in the reduction in the number of shares on issue by 3,899,584,015 ordinary shares. As a result of the share consolidation the share options and performance rights on issue were reconstructed on a like for like basis.

Between the date of the share consolidation and 30 June 2022 the following options were exercised:

- 2,425,746 options with an exercise price of $0.225 per option raising $545,793; and
- 12,220,000 options with an exercise price of $0.375 per option raising $4,582,500 (and 40,000 lapsed).

At 30 June 2022, the Company had 177,128,963 ordinary shares, 3,300,000 performance rights and 4,912,265 unlisted options on issue.

From 1 July 2022 to the date of this report the following share options have been exercised into ordinary shares of the Company:

- 1,000,011 options with an exercise price of $0.225 per option raising $225,002 (and 3,912,254 lapsed).

As at the date of this report, the Company had 178,128,974 ordinary shares and 3,300,000 performance rights on issue. The Company has agreed to issue a total of 1,800,000 share options to Non-executive Directors and Company Secretary subject to shareholder approval at the 2022 Annual General Meeting.

Financial Position

At 30 June 2022, the Group's net assets totalled $20,019,846 (2021: $14,576,070) which included cash assets of $6,270,173 (2021: $5,542,252).

The Group's working capital, being current assets less current liabilities has increased from $3,106,587 in 2021 to $6,001,367 in 2022, principally due to the exercise of options 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

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, including the company providing rapid antigen tests for staff during site work and travel.

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

- Subsequent to the reporting period the following occurred in relation to options on issue:
  - 1,000,011 options with an exercise price of 22.5 cents per option were exercised raising $225,002; and
  - 3,912,254 options with an exercise price of 22.5 cents per option expired.

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, in 2021 the company 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. The company has made further commitments to commence reporting against the Tin Code in 2023, subject to final negotiations with the International Tin Association who manages the reporting.

Native Title

Mining tenements that the Group currently holds, are not subject to any known Native Title claims. The Group has a policy that is respectful of the Native Title rights and therefore surveys sites before disturbance for archaeological items.

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
Joe David	Managing Directors (appointed 27 January 2022) previously Chief Executive Officer (appointed 13 April 2021)
Brett Smith	Director - Non-executive
Corey Nolan	Director - Non-executive
Calvin Treacy	Director - Non-executive
Chris Dunks	Director – Non-executive (resigned 26 November 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 and/or rights 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.

The short-term incentives ('STI') program is designed to align the targets of the Company with the performance hurdles of key management personnel. The STI payments are granted based on specific annual targets and key performance indicators ('KPI's') being achieved. The KPI's for the current financial year for the CEO/MD and CFO included delivering the Oropesa DFS strategy, Oropesa resources upgrade, Cleveland drilling programme, share consolidation, corporate structure activities and capital management.

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.

Performance rights are issued with performance conditions that align with strategic outcomes of the business.

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 reviewed the fees of Non-Executive Directors during the reporting period and amended annual fees to align with market peers. Consequently, non-executive director fees as at 30 June 2022 were $55,000 per annum (including superannuation where applicable) to each non-executive director. In addition, Non- Executive Directors who act as a Director of operational subsidiaries are paid an annual fee of $15,000 per operating subsidiary.

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 period no fees in relation to additional work were paid to Directors.

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 and subsequently Managing Director on 27 January 2022. The key terms of the employment agreement with Joe David were:

- Total Fixed Remuneration of $295,000 per annum (inclusive of superannuation);
- Short term incentive of up to $50,000 (inclusive of superannuation) for the 2022 financial year 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 $120,000 per annum (inclusive of superannuation);
- Short term incentive of up to $25,000 (inclusive of superannuation) for the 2022 financial year based on the achievement of key performance indicators; 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 2022 was as follows:

Year Ended 30 June 2022

Key Management Personnel	Short Term Benefits		Equity Settled Options[1]	Equity Settled Performance Rights	Post-Employment Super-annuation	Total	Performance related %	% consisting of options / rights
	Salary & Fees	Bonuses						
	$	$	$	$	$	$		
A. Greig[2]	4,583	-	37,759	-	-	42,342	89.2%	89.2%
J. David	279,311	46,364	-	235,103	29,476	590,254	47.7%	39.8%
C. Nolan	37,500	-	37,759	-	3,750	79,009	47.8%	47.8%
C. Treacy	42,507	-	37,759	-	-	80,266	47.0%	47.0%
B. Smith	37,500	-	37,759	-	3,750	79,009	47.8%	47.8%
C. Dunks[3]	16,500	-	-	-	-	16,500	-	-
D. Speedy	118,543	22,727	-	117,552	13,232	272,054	51.6%	43.2%
	536,444	**69,091**	**151,036**	**352,655**	**50,208**	**1,159,434**		

(1) The Company has agreed to issue 360,000 share options to each Non-Executive Director subject to shareholder approval at the 2022 Annual General Meeting

(2) Mr Greig commenced receiving Director fees from 1 June 2022.

(3) Resigned as Non-Executive Director on 26 November 2021 and ceased to be a KMP.

Year Ended 30 June 2021

Key Management Personnel	Short Term Benefits		Equity Settled Shares	Equity Settled Performance Rights	Post-Employment Super-annuation	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.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Key Management Personnel	Fixed Remuneration		At risk - STI		At risk – LTI	
	2022	2021	2022	2021	2022	2021
A. Greig	10.8%	100%	-	-	89.2%	-
J. David	52.3%	100%	7.9%	-	39.8%	-
B. Smith	52.2%	100%		-	47.8%	-
C. Nolan	52.2%	100%	-	-	47.8%	-
C. Treacy	53.0%	100%	-	-	47.0%	-
C. Dunks(1)	100%	100%	-	-	-	-
D. Speedy	48.4%	100%	8.4%	-	43.2%	-

(1) Mr Dunks resigned and ceased being a KMP on 26 November 2021.

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings. The maximum bonus values are established at the start of each financial year and amounts payable are determined throughout the financial year based on the achievement of the defined performance conditions.

Key Management Personnel	Cash bonus paid / payable	Cash bonus forfeited
	2022	2022
J. David	100%	-
D. Speedy	100%	-

Equity-based Remuneration

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are included in the table below. The Company has agreed to issue 360,000 share options to each Non-Executive Director subject to shareholder approval at the 2022 Annual General Meeting.

Key Management Personnel	Number of options	Grant date(1)	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at 30 June 2022	Value of options granted during the year
A. Greig	360,000	31-May-2022	Upon issue	31-May-2025	$1.10	$0.1049	$37,758
B. Smith	360,000	31-May-2022	Upon issue	31-May-2025	$1.10	$0.1049	$37,758
C. Nolan	360,000	31-May-2022	Upon issue	31-May-2025	$1.10	$0.1049	$37,758
C. Treacy	360,000	31-May-2022	Upon issue	31-May-2025	$1.10	$0.1049	$37,758

(1) The issue of share options is subject to shareholder approval at the 2022 Annual General Meeting. If shareholder approval is not received the share options will not be issued.

Performance Rights

The terms and conditions of each grant of performance right over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are included in the table below.

Tranche	Key Management Personnel	Number of rights	Value of rights granted during the year	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per right at grant
1 & 2	J. David	800,000	$168,116	8-Jul-2021	Completion of Oropesa DFS and retention to 1-08-22	31-Jul-2023	Nil	$0.43
	D. Speedy	400,000	$84,058					
3	J. David	200,000	Nil	8-Jul-2021	Granting of Oropesa Exploitation License and retention to 1-08-22	31-Jul-2023	Nil	$0.43
	D. Speedy	100,000	Nil					
4	J. David	400,000	$66,987	8-Jul-2021	Oropesa project funding package and retention to 1-07-23	31-Jan-2024	Nil	$0.43
	D. Speedy	200,000	$33,494					
5	J. David	400,000	Nil	8-Jul-2021	Acquisition or merger and retention to 1-07-23	31-Jan-2024	Nil	$0.43
	D. Speedy	200,000	Nil					
6	J. David	200,000	Nil	8-Jul-2021	Completion of Cleveland PFS and retention to 1-07-23	31-Jan-2024	Nil	$0.43
	D. Speedy	100,000	Nil					
7	J. David	200,000	Nil	8-Jul-2021	First production of mineral concentrate and retention to 1-07-25	31-Jan-2026	Nil	$0.43
	D. Speedy	100,000	Nil					

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 2018 (historical comparative prices have been adjusted to reflect the 25:1 consolidation undertaken in December 2021).

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Share Price at year end ($)	0.405	0.425	0.125	0.15	0.15

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.

Shares Held by Key Management Personnel

Details of shares held directly, indirectly or beneficially by key management personnel during the year ended 30 June 2022 were as follows, the share balances have been adjusted to reflect the 25:1 share consolidation completed in December 2021:

Key Management Personnel	Balance at 1 July 2021	Granted as Compensation	Received on Exercise of Options / Rights	Net change other	Balance at 30 June 2022
A. Greig	16,883,983	-	1,138,492	2,276,984[2]	20,299,459
J. David	-	-	-	50,000	50,000
B. Smith	101,635	-	20,000	40,000	161,635
C. Nolan	231,363	-	-	-	231,363
C. Treacy	1,265,455	-	-	50,000	1,315,455
C. Dunks[1]	787,501	-	-	(787,501)	-
D. Speedy	-	-	40,000	80,000	120,000
	19,269,937	**-**	**1,198,492**	**1,709,483**	**22,177,912**

(1) Mr Greig received 2,276,984 shares in relation to the loan conversion agreement approved by shareholders at the July 2021 Shareholder Meeting.

(2) Mr Dunks resigned and ceased being a KMP on 26 November 2021, balance held at resignation.

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 balances have been adjusted to reflect the 25:1 share consolidation completed in December 2021.

Key Management Personnel	Balance at 1 July 2021	Granted as compensation	Additions - other	Expired	Exercised	Balance at 30 June 2022	Total vested and exercisable at 30 June 2022
A. Greig	-	360,000[2]	1,138,492[1]	-	(1,138,492)	360,000	-
J. David	-	-	-	-	-	-	-
B. Smith	-	360,000[2]	20,000[3]	-	(20,000)	360,000	-
C. Nolan	18,182	360,000[2]	-	-		378,182	18,182
C. Treacy	48,485	360,000[2]	-	-	-	408,485	48,485
C. Dunks	-	-	-	-	-	-	-
D. Speedy	-	-	40,000[4]	-	(40,000)	-	-
	66,667	**1,440,000**	**1,198,492**	**-**	**(1,198,492)**	**1,506,667**	**66,667**

(1) Mr Greig received 1,138,492 attaching options in relation to the loan conversion agreement approved by shareholders at the July 2021 Shareholder Meeting.
(2) The Company has agreed to issue 360,000 share options to each Director subject to shareholder approval at the 2022 Annual General Meeting.
(3) Mr Smith received 20,000 attaching options as part of his participation in the April 2021 capital raise and following shareholder approval in July 2021.
(4) Mr Speedy received 40,000 attaching options as part of his participation in the April 2021 capital raise and following shareholder approval in July 2021.

Unlisted performance rights held by Key Management Personnel

The number of performance rights in Elementos Limited held by each key management person of the consolidated entity during the financial year is set out below. There were no rights issued post year end. The rights balances have been adjusted to reflect the 25:1 share consolidation completed in December 2021.

Key Management Personnel	Balance at 1 July 2021	Granted as compensation	Exercised	Expired	Balance at 30 June 2022	Total vested and exercisable at 30 June 2022
J. David	-	2,200,000	-	-	2,200,000	-
D. Speedy	-	1,100,000	-	-	1,100,000	-
	-	**3,300,000**	**-**	**-**	**3,300,000**	**-**

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 current and previous periods 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 3,636,364 ordinary shares and 1,212,122 options with an exercise price of $0.225 per share and expiry of 31 August 2022.
- On 9 April 2021 the Company and Mr Greig agreed to exercise 1,212,122 share options with an exercise price of $0.225 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 2,276,984 ordinary shares and 1,138,492 options with an exercise price of $0.375 per share and expiry of 30 April 2022. The shares and options were issued following shareholder approval on 14 July 2021.
- The Loan facility was closed 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

The Company has agreed to issue 1,800,000 share options in total to Non-Executive Directors and Company Secretary subject to shareholder approval at the 2022 Annual General Meeting. The shares options have an exercise price of $1.10, expiry date of 31 May 2025 and vest immediately. There are no other share options currently on issue.

The following ordinary shares were issued during and since the year ended 30 June 2022 on the exercise of options.

Grant Date/s	Exercise Price	No. of shares issued
14 August 2020	$0.225	3,773,416
27 April 2021	$0.375	14,988,492

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
8 July 2021	31 July 2023	Nil	1,500,000
8 July 2021	31 January 2024	Nil	1,500,000
8 July 2021	31 January 2026	Nil	300,000

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	7	6	n/a	n/a
J. David	3	3	n/a	n/a
B. Smith	7	7	1	1
C. Nolan	7	7	2	2
C. Treacy	7	7	2	2
C. Dunks	3	3	1	1

The Company established an Environmental, Social and Governance committee during the financial period. Mr Treacy is Chairman of the committee and Messrs. David and Speedy are also members of the committee. The committee held its first formal meeting following the reporting period on 12 September 2022

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 Company 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 (2021: 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.

Joe David
Managing Director

Dated 29 September 2022
Brisbane, Queensland

Auditor's Independence Declaration

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Australia

DECLARATION OF INDEPENDENCE BY A J WHYTE TO THE DIRECTORS OF ELEMENTOS LIMITED

As lead auditor of Elementos Limited for the year ended 30 June 2022, 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 period.

A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 29 September 2022

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 20 September 2022.

(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	422	173,756
1,001 - 5,000	656	1,762,611
5,001 - 10,000	265	2,026,113
10,001 - 100,000	584	19,284,556
100,001 and over	193	154,881,938
Total	**2,120**	**178,128,974**

	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	3,300,000
Total	**2**	**3,300,000**

The number of shareholders holding less than a marketable parcel is 551.

(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>	20,748,457	11.65%
2	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	10,571,886	5.93%
3	MCCUSKER HOLDINGS PTY LTD	9,664,197	5.43%
4	TR NOMINEES PTY LTD	8,247,273	4.63%
5	J P MORGANS NOMINEES AUSTRALIA PTY LIMITED	7,154,486	4.02%
6	CITICORP NOMINEES PTY LIMITED	6,936,594	3.89%
7	KEO PROJECTS PTY LTD <SUPERANNUATION FUND A/C>	4,030,000	2.26%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,522,327	1.98%
9	GOM PROPERTIES PTY LTD <DMF FAMILY A/C>	3,366,923	1.89%
10	NATIONAL NOMINEES LIMITED	3,124,469	1.75%
11	JAMES CALAWAY*	2,400,833	1.35%
12	Mr CARLO CHIODO	2,190,015	1.23%
13	GLEN LEWIS PTY LTD <SAMUEL MCCARDEL A/C>	2,160,912	1.21%
14	MR JOSEPH IGNATIUS D'SOUZA	2,080,000	1.17%
15	TUWHERA TE RANGI LTD	1,905,000	1.07%
16	MR CRAIG RONALD TINDALE & MRS GABRIELLE TINDALE	1,800,000	1.01%
17	DRAWONE PTY LTD <NEWTOWN INVESTMENT A/C>	1,785,000	1.00%
18	SANGWILL PTY LTD <MC VAY FAMILY S/F A/C>	1,699,459	0.95%
19	TAURUS CORPORATE SERVICES PTY LTD	1,630,000	0.92%
20	MR JOHN DOUGLAS JEFFERY & MRS ELSPETH LOUISE JEFFERY <GIBSON BROS HOLDING S/F A/C>	1,500,000	0.84%
	Top 20 Total	**96,517,831**	**54.18%**
	Total of Securities	**178,128,974**	

** Merged holding*

(c) Substantial Shareholders

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

Name of Shareholder	Ordinary Shares	% of total Shares
BOND STREET CUSTODIANS LIMITED	20,748,457	11.65%
SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	10,571,886	5.93%
MCCUSKER HOLDINGS PTY LTD	9,664,197	5.43%

(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.

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 2022, the proportion of women in the whole organisation is a follows:

	Male	Female
Board Members	5	-
Officers	1	-
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 2022.

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, 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
J. David	Managing 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	6 years, 11 months
J. David	8 months
C. Nolan	13 years 2 months
C. Treacy	8 years 11 months
B. Smith	2 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.

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 Brett Smith all of whom are considered non-executive and independent directors. The Committee is chaired by an independent director (Corey Nolan). The Company does presently comply fully with Recommendation 4.1.

All members of the Audit & Risk Management Committee are considered financially literate in the context of the Company's affairs.

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
B.Smith	1	1
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.

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 Brett Smith all of whom are considered independent directors. The Committee is chaired by an independent director (Corey Nolan). The Company does presently comply fully with Recommendation 7.1.

All members of the Audit & Rick 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 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
B. Smith	1	1
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.

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 2022

	Note	30 June 2022 $	30 June 2021 $
Interest income		1,163	1,768
Gain on settlement of borrowings		154,905	-
Other income		-	60,650
Corporate and administrative expenses	2	(2,346,817)	(1,633,858)
Foreign Currency Gain / (Loss)		(39,888)	(40,947)
Loss before income tax expense		(2,230,637)	(1,612,387)
Income tax expense	3	-	-
Loss for the period attributable to members of the parent entity		(2,230,637)	(1,612,387)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange losses on translation of foreign operations		(291,813)	(160,625)
Other comprehensive income for the period, net of tax		(291,813)	(160,625)
Total comprehensive loss attributable to members of the parent entity		**(2,522,450)**	**(1,773,012)**
Basic and diluted loss per share	12	(0.014)	(0.013)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
CURRENT ASSETS			
Cash and cash equivalents	4	6,270,173	5,542,252
Trade and other receivables	5	563,624	227,294
Other current assets		27,685	-
Total Current Assets		**6,861,482**	**5,769,546**
NON-CURRENT ASSETS			
Exploration and evaluation assets	6	13,901,380	11,390,716
Property, plant and equipment		2,616	4,730
Right of use assets		47,376	7,471
Other non-current assets		74,199	76,497
Total Non-Current Assets		**14,025,571**	**11,479,414**
TOTAL ASSETS		**20,887,053**	**17,248,960**
CURRENT LIABILITIES			
Trade and other payables	7	808,997	1,106,332
Lease liability		51,118	6,163
Borrowings	8	-	1,550,464
Total Current Liabilities		**860,115**	**2,662,959**
NON-CURRENT LIABILITIES			
Lease liability		7,092	9,931
Total Non-Current Liabilities		**7,092**	**9,931**
TOTAL LIABILITIES		**867,207**	**2,672,890**
NET ASSETS		**20,019,846**	**14,576,070**
EQUITY			
Contributed equity	9	36,165,450	28,740,673
Reserves	10	328,204	78,568
Accumulated losses		(16,473,808)	(14,243,171)
TOTAL EQUITY		**20,019,846**	**14,576,070**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2022

	Note	Contributed Equity	Accumulated Losses	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Total
		$	$	$	$	$
Balance at 1 July 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	9	9,426,181	-	-	-	9,426,181
Transaction costs	9	(885,233)	-	290,286	-	(594,947)
Conversion of loan to equity	8,9	500,000	-	-	-	500,000
Balance at 30 June 2021		**28,740,673**	**(14,243,171)**	**290,286**	**(211,718)**	**14,576,070**
Loss for the period		-	(2,230,637)	-	-	(2,230,637)
Other comprehensive loss		-	-	-	(291,813)	(291,813)
Total comprehensive income		**-**	**(2,230,637)**	**-**	**(291,813)**	**(2,522,450)**
Issue of shares	9	660,000	-	-	-	660,000
Exercise of options	9	6,244,701	-	-	-	6,244,701
Transaction costs	9	(49,170)	-	-	-	(49,170)
Conversion of loan to equity	8,9	569,246	-	-	-	569,246
Issue of options and performance rights	16	-	-	541,449	-	541,449
Balance at 30 June 2022		**36,165,450**	**(16,473,808)**	**831,735**	**(503,531)**	**20,019,846**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2022

	Note	30 June 2022	30 June 2021
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		1,163	1,768
Government COVID Assistance		-	60,650
Payments to suppliers and employees		(1,710,130)	(1,545,995)
Interest Paid		(99,225)	(698)
Net cash used in operating activities	11	**(1,808,192)**	**(1,484,275)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(3,629,814)	(1,672,631)
Payments for property, plant and equipment		(2,114)	(5,270)
Net cash used in investing activities		**(3,631,928)**	**(1,677,901)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	9	6,904,701	9,146,964
Costs associated with share issues	9	(49,170)	(594,948)
Repayment of loan	8	(648,569)	-
Lease payments		(38,117)	(5,817)
Net cash provided by financing activities		**6,168,845**	**8,546,199**
Net increase/(decrease) in cash held		728,725	5,384,023
Net foreign exchange difference		(804)	(40,947)
Cash at Beginning of Year		5,542,252	199,176
Cash at End of Year	4	**6,270,173**	**5,542,252**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

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 29 September 2022 by the directors of the Company.

Financial information required for Elementos Limited as an individual entity is included in Note 22.

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 2022 the Group had cash reserves of $6,270,173, net current assets of $6,001,367 and net assets of $20,019,846. The Group incurred a net loss of $2,522,450 for the year ended 30 June 2022 and had an outflow of $1,808,192 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.

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 2022, and the results of all subsidiaries for the year then ended. 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 20. 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 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.

Other Receivables

Other receivables are recognised at amortised cost less any allowance expected credit losses.

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.

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. The fair value of performance rights with no market conditions is determined by reference to the share price at grant. Where applicable, the number of shares options and performance rights 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 and annual 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).

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;
- accumulated losses 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 2022 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 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 2022 were $13,901,380 (2021: $11,390,716). Based on a review performed as at 30 June 2022, the Directors determined that it is still appropriate to continue capitalising costs in relation to the Group's areas 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 2022 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.

NOTE 2: EXPENSES

	30 June 2022 $	30 June 2021 $
Included in expenses are the following items:		
Depreciation	44,555	7,556
ASX, ASIC, share registry expenses	114,770	73,423
Business development and investor relations costs	158,204	142,749
Legal fees	44,758	19,632
Insurances	31,981	39,457
Audit, tax and external accounting fees	143,257	72,574
Interest on loans	6,349	113,856
Employee benefits expense comprises:		
Salaries and wages	856,842	643,873
Consulting fees	136,957	255,990
Superannuation	84,609	45,752
Share based payment expense	541,449	-
Annual leave expensed	42,858	18,081

NOTE 3: INCOME TAX EXPENSE

	30 June 2022 $	30 June 2021 $
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 25% (2021: 26%)	(557,659)	(419,221)
Adjust for tax effect of:		
Non-deductible amounts	100,228	35,211
Tax loss not recognised (current year and true up)	458,071	385,524
Temporary differences recognised	-	-
Under/Over	(640)	(1,514)
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	4,904,118	4,668,283

The Group has carried forward tax losses of $25,030,274 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. Elementos Ltd failed the Continuity of Ownership Test on 4 January 2019. As a result, tax losses incurred prior to this date will need to satisfy the Same Business Test of Similar Business Test, in order for them to be available in future years.

NOTE 4: CASH AND CASH EQUIVALENTS

	30 June 2022 $	30 June 2021 $
Cash at bank and on hand	6,225,623	5,532,252
Short term deposits	44,550	10,000
	6,270,173	5,542,252

NOTE 5: TRADE AND OTHER RECEIVABLES

	30 June 2022 $	30 June 2021 $
GST & VAT receivable	563,624	227,294
	563,624	227,294

As at year end, there were no material receivable balances that were past due and not impaired. All receivables as at 30 June 2022 were due within 60 days (2021: 60 days). The carrying value of trade receivables is considered a reasonable approximation of fair value.

NOTE 6: EXPLORATION AND EVALUATION ASSETS

	30 June 2022 $	30 June 2021 $
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	13,901,380	11,390,716
Movement in exploration and evaluation assets:		
Opening balance - at cost	11,390,716	9,438,708
Capitalised exploration expenditure	2,646,427	1,970,790
Foreign exchange differences	(135,763)	(18,782)
Carrying amount at the end of the year	**13,901,380**	**11,390,716**

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 7: TRADE AND OTHER PAYABLES

	30 June 2022 $	30 June 2021 $
Current:		
Trade payables and accrued expenses	736,463	1,076,657
Short term employee benefits	72,534	29,675
Total payables (unsecured)	**808,997**	**1,106,332**

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

NOTE 8: BORROWINGS

	30 June 2022 $	30 June 2021 $
Current:		
Unsecured:		
Loan (a)(b)	-	1,550,464
Total unsecured current liability	**-**	**1,550,464**

(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)

During the financial period the Company agreed to convert $569,246 of the loan balance to equity see Note 9 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 MESPA 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)

As announced on 8 September 2021, the Company reached an agreement with Mark Wellings to settle the outstanding loan amount. The Company made a payment of CAD683,642 (AUD737,163) during September 2021, the difference to the carrying value of the loan related to costs incurred by MESPA following completion of the acquisition which were agreed to be settled by Mark Wellings, penalties for non-payment of pre-acquisition costs of $78,983 and an early repayment discount agreed between the parties of $79,365.

NOTE 9: CONTRIBUTED EQUITY

Fully paid ordinary shares

		2022		2021	
		No. of Shares	$	No. of Shares	$
Balance as at 1 July		3,861,238,867	28,740,673	2,548,330,961	19,699,725
Share issues:					
Issue of shares	(a)	66,000,000	660,000	-	-
Issue of shares	(a)	56,924,600	569,246	-	-
Issue of shares	(b)	8,691,465	78,223	-	-
Issue of shares	(b)	69,212,300	1,038,185	-	-
Issue of shares	(c)	(3,899,584,015)	-	-	-
Issue of shares	(d)	2,425,746	545,793	-	-
Issue of shares	(d)	12,220,000	4,582,500	-	-
Issue of shares	(e)	-	-	464,000,017	2,551,940
Issue of shares	(f)	-	-	140,545,487	773,029
Issue of shares	(g)	-	-	90,909,091	500,000
Issue of shares	(h)	-	-	2,540,866	6,490
Issue of shares	(i)	-	-	544,000,000	5,440,000
Issue of shares	(j)	-	-	68,162,445	613,472
Issue of shares	(j)	-	-	2,750,000	41,250
Balance as at 30 June		**177,128,963**	**36,214,620**	**3,861,238,867**	**29,625,906**
Total transaction costs associated with share issues			(49,170)		(885,233)
Net issued capital			36,165,450		28,740,673

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 2022, are:

(a) On 6 July 2021, following shareholder approval, 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 unlisted 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 56,924,600 shares with an issue price of 1 cent per share and 28,462,300 attaching unlisted 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 8 for further details in relation to the loan facility.

(b) Between 1 July 2021 and the share consolidation date of 1 December 2021 the following options were exercised:
- 8,691,465 options with an exercise price of 0.9 cents per option raising $78,223; and
- 69,212,300 options with an exercise price of 1.5 cents per option raising $1,038,185.

(c) On 1 December 2021, following shareholder approval, the Company undertook a 25:1 consolidation of the ordinary shares on issue. The consolidation resulted in the reduction in the number of shares on issue by 3,899,584,015 ordinary shares.

(d) Between the date of the share consolidation and 30 June 2022 the following options were exercised:
- 2,425,746 options with an exercise price of $0.225 per option raising $545,793; and
- 12,220,000 options with an exercise price of $0.375 per option raising $4,582,500.

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

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

Other Options

	Note	Weighted average exercise price (cents)	30 June 2022 No. of Options	Weighted average exercise price (cents)	30 June 2021 No. of Options
Unlisted Share Options		22.5	4,912,265	1.25	506,390,657
Balance at the beginning of the reporting period		1.25	506,390,657	-	-
Options issued during the period:					
- Broker Options		-	-	1.22	85,000,000
- Placement attaching options		-	-	0.90	220,303,102
- Placement attaching options		1.50	61,462,300	1.50	272,000,000
Options exercised during the period:					
- Prior to consolidation		1.43	(77,903,765)	0.92	(70,912,445)
- Following the consolidation		35.02	(14,645,746)	-	-
Consolidation [(a)]		-	(470,351,181)	-	-
Expired		37.5	(40,000)	-	-
Exercisable at end of year		22.5	4,912,265	1.25	506,390,657

(a) Following shareholder approval on 23 November 2021 the Company completed a consolidation of its share capital on a 25:1 basis. The share options were reconstructed on a like for like basis which resulted in the following:

	31-August-2022 Options		30-April-2022 Options	
	Pre consolidation	Post Consolidation	Pre consolidation	Post Consolidation
Number of options	183,449,192	7,338,011	306,500,000	12,260,000
Exercise Price	$0.009	$0.225	$0.015	$0.375

The weighted average remaining contractual life of the options was 62 days.

Director Options

	Note	Weighted average exercise price $	30 June 2022 No. of Options	Weighted average exercise price $	30 June 2021 No. of Options
Unlisted Share Options		1.10	1,800,000	-	-
Balance at the beginning of the reporting period		-	-	-	-
Options issued during the period[(a)]	16	1.10	1,800,000	-	-
Options exercised during the period		-	-	-	-
Expired		-	-	-	-
Exercisable at end of year		1.10	1,800,000	-	-

(a) The 1,800,000 options to the Directors and Company Secretary have been agreed to be issued subject to shareholder approval at the 2022 Annual General Meeting.

The weighted average remaining contractual life of the options was 2.9 years.

Performance Rights

During the financial period the Company issued 3,300,000 performance rights (on a post consolidation basis) to Executives of the Company. The performance rights have both company milestone and employment retention vesting conditions. A share-based payment expense of $352,655 was recorded during the period (2020: nil) see Note 16 for further details.

Capital Management

Exploration companies such as Elementos Limited are funded almost exclusively by share capital.

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 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 changes to the capital management policies during the year.

NOTE 10: 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 and rights issued to employees and consultants. This reserve can be reclassified to accumulated losses if options or rights lapse.

NOTE 11: CASH FLOW INFORMATION

	30 June 2022 $	30 June 2021 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax:		
Loss after income tax	(2,230,637)	(1,612,387)
Non-cash flows in loss from ordinary activities:		
Depreciation	44,555	7,556
Equity settled compensation	541,449	6,490
Unrealised Foreign exchange	39,084	40,947
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(27,685)	-
(Decrease)/Increase in payables	(174,958)	73,119
Cash flows from operations	**(1,808,192)**	**(1,484,275)**

Options and performance rights issued to employees and consultants for no cash consideration are disclosed in note 16.

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

	2021	Cash flows	Principal converted to equity	Loan balance offset / discounted	Non-cash adjustments	2022
Lease liability	16,094	(38,117)	-	-	80,233	58,210
Borrowings	1,550,464	(737,163)	(477,273)	(336,028)	-	-
	1,566,558	**(775,280)**	**(477,273)**	**(336,028)**	**80,233**	**58,210**

	2020	Cash flows	Interest accrued	Acquired through acquisition	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**

NOTE 12: LOSS PER SHARE

	30 June 2022 $	30 June 2021 $
Net loss used in the calculation of basic and diluted EPS	(2,230,637)	(1,612,387)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	164,987,703	128,730,661

Options and performance rights are considered potential ordinary shares. Options and performance rights 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 2022 are also not dilutive. If the 1,000,011 shares issued since the end of the reporting period were issued on 1 July 2021, the loss per share for 30 June 2022 would have been (1.34) cents per share.

NOTE 13: 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 2022 $	30 June 2021 $
Not later than 1 year	382,500	420,000
Total commitment	**382,500**	**420,000**

NOTE 14: CONTINGENT LIABILITIES

The Company's wholly owned subsidiary, Minas de Estano De Espana (MESPA is currently involved in a number of legal proceedings in Spain. While none of the cases are considered material, and do not affect the Company's title to the Oropesa Project, the Company is actively monitoring and defending these cases (as required). MESPA has received claims against it by Sondeos & Perforaciones Industriales Del Bierzo, SA (SPIB) and its principal Mr. José Cereijo Soto.

The first claim relates to invoices of €141,000 relating to Dirección Facultativa (Registered Engineer) services alleged to have been performed by Mr Soto. Two of the three invoices making up the total amount are related to services alleged to have been performed from before 2016, with the remaining invoice for services between 2016 - 2021.

MESPA is also defending a second claim for the 2018 appointment and dismissal of Mr Jose Cereijo Soto as MESPA's Con.Delegado (CEO) and an alleged €300,000 payment he claims he was entitled to receive if ever terminated as CEO.

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

NOTE 15: 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 2022.

Subsidiaries

Interest in subsidiaries are disclosed in Note 20.

Key Management Personnel

	30 June 2022 $	30 June 2021 $
Short-term employee benefits	575,663	367,999
Post-employment benefits	50,208	21,456
Share-based payments	503,691	-
	1,129,562	**389,455**

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 8 and Note 9.

NOTE 16: SHARE-BASED PAYMENTS

Options

During the year ended 30 June 2022 the Company agreed to issue 1,800,000 options to the Company's Director's and Company Secretary, subject to shareholder approval at the 2022 Annual General Meeting. The amount recognised for the period under the share-based payment reserve in relation to share based payments amounts to $188,794.

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	1,800,000
Grant date[a]	31-May-2022
Valuation date	30-Jun-2022
Share price at valuation date	$0.405
Exercise price	$1.10
Expected volatility	75%
Risk-free interest rate	2.81%
Expected life	3 years
Model used	Black Scholes
Value per option	$0.10489

(a) The 1,800,000 options to the Directors and Company Secretary have been agreed to be issued subject to shareholder approval at the 2022 Annual General Meeting.

Outstanding Options

The outstanding balance of options as at 30 June 2022 is represented below:

Grant Date/s	Expiry Date	Exercise Price	Share options 30 June 2022	Share options 30 June 2021
2 December 2020	31 August 2022	$0.225[a]	1,600,000[a]	1,600,000[a]
13 April 2021	30 April 2022	$0.375[a]	-	1,800,000[a][b]
31 May 2022[c]	31 May 2025	$1.10	1,800,000	-
The weighted average remaining contractual life of the options outstanding at year end:			1.6 years	1 year

(a) The quantity and exercise price of the options have been adjusted to reflect the consolidation of the Company's share capital in December 2021 on a 25:1 basis.
(b) The 1,800,000 options were exercised to fully paid ordinary shares during the financial period.
(c) The 1,800,000 options to the Directors and Company Secretary have been agreed to be issued subject to shareholder approval at the 2022 Annual General Meeting.

Performance Rights

During the year ended 30 June 2022 3,300,000 (post consolidation) rights were issued to the Company's Executives. The amount recognised for the period under the share-based payment reserve in relation to share based payments amounts to $352,655.

The fair value of rights at grant date is determined using the share price at the grant date and the estimated probability of achieving each vesting condition. These values are then recognised over the proposed vesting period.

Inputs used to value the performance rights are as follows:

Tranche	Number of rights	Grant/ valuation date	Vesting date and exercisable date	Expiry date	Exercise price	Spot price at grant
1 & 2	1,200,000	8-Jul-2021	Completion of Oropesa DFS and retention to 1-08-22	31-Jul-2023	Nil	$0.43
3	300,000	8-Jul-2021	Granting of Oropesa Exploitation License and retention to 1-08-22	31-Jul-2023	Nil	$0.43
4	600,000	8-Jul-2021	Oropesa project funding package and retention to 1-07-23	31-Jan-2024	Nil	$0.43
5	600,000	8-Jul-2021	Acquisition or merger and retention to 1-07-23	31-Jan-2024	Nil	$0.43
6	300,000	8-Jul-2021	Completion of Cleveland PFS and retention to 1-07-23	31-Jan-2024	Nil	$0.43
7	300,000	8-Jul-2021	First production of mineral concentrate and retention to 1-07-25	31-Jan-2026	Nil	$0.43

Outstanding Rights

The outstanding balance of rights as at 30 June 2022 is represented below:

Grant Date/s	Expiry Date	Exercise Price	Rights 30 June 2022	Rights 30 June 2021
8 July 2021	31 July 2023	Nil	1,500,000	-
8 July 2021	31 January 2024	Nil	1,500,000	-
8 July 2021	31 January 2026	Nil	300,000	-

None of the rights on issue at 30 June 2022 are vested and exercisable. The weighted average remaining contractual life of the options outstanding at year end is 1.54 years.

NOTE 17: AUDITOR'S REMUNERATION

Remuneration for the auditor of the parent entity:

	30 June 2022 $	30 June 2021 $
BDO Audit Pty Ltd and its related entities:		
Auditing or reviewing the financial reports	54,676	49,490
	54,676	**49,490**

NOTE 18: 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 (2021: 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 2022, there was no concentration of credit risk, other than bank balances and on geographical basis with most financial assets in Australia (2021: nil).

(b) Financial Instrument Composition and Contractual Maturity Analysis

	30 June 2022 $	30 June 2021 $
Financial assets:		
Within 6 months:		
cash & cash equivalents	6,270,173	5,542,252
receivables (i)	563,624	227,294
	6,833,797	**5,769,546**
Financial liabilities:		
Within 6 months:		
payables (i)	(808,997)	(1,106,332)
Within 12 months:		
Borrowings (ii)	-	(1,550,464)
Lease liabilities	(52,521)	(6,932)
Greater than 12 months:		
Lease liabilities	(7,117)	(10,025)
	(868,635)	**(2,673,753)**

(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.

(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 19: 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.

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.

(b) 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.

2022

	Australia $	Spain $	Intercompany eliminations $	Total $
Current assets	12,968,095	743,613	(6,850,226)	6,861,482
Non-current assets	6,203,202	7,822,369	-	14,025,571
Total assets	19,171,297	8,565,982	(6,850,226)	20,887,053
Current liabilities	347,118	7,363,223	(6,850,226)	860,115
Non-current liabilities	7,092	-	-	7,092
Total liabilities	354,210	7,363,223	(6,850,226)	867,207
Contributed equity	33,165,450	3,000,000	-	36,165,450
Reserves	831,735	(503,531)	-	328,204
Accumulated losses	(15,180,098)	(1,293,710)	-	(16,473,808)
Total equity	18,817,087	1,202,759	-	20,019,846
Loss for the period	(2,177,939)	(52,698)	-	(2,230,637)
Other comprehensive income for the period	-	(291,813)	-	(291,813)
Total comprehensive income for the period	(2,177,939)	(344,511)	-	(2,522,450)

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	(1,242,612)	(369,775)	-	(1,612,387)
Other comprehensive income for the period	-	(160,625)	-	(160,625)
Total comprehensive income for the period	(1,242,612)	(530,400)	-	(1,773,012)

NOTE 20: 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	
		2022	2021
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 21: EVENTS AFTER REPORTING PERIOD

- Subsequent to the reporting period the following occurred in relation to options on issue:
  - 1,000,011 options with an exercise price of 22.5 cents per option were exercised raising $225,002; and
  - 3,912,254 options with an exercise price of 22.5 cents per option expired.

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.

NOTE 22: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Elementos Limited at 30 June 2022. This information has been prepared using consistent accounting policies as presented in Note 1.

	30 June 2022 $	30 June 2021 $
Current assets	6,115,743	5,242,417
Non-current assets	14,267,738	14,418,375
Total assets	20,383,481	19,660,792
Current liabilities	356,543	781,946
Non-current liabilities	7,092	24,570
Total liabilities	363,635	806,517
Contributed equity	52,060,981	44,636,204
Reserves	831,735	290,286
Accumulated losses	(32,872,870)	(26,072,214)
Total equity	20,019,846	18,854,276
Loss for the period	(6,800,656)	(1,242,612)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(6,800,656)	(1,242,612)

The Company has no contingent liabilities, nor has it entered into any guarantees in relation to the debts of its subsidiaries (2021: nil).

The Company has not entered into any contractual commitments for the acquisition of property, plant and equipment (2021: nil).

NOTE 23: 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.

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 2022 and of its performance for the financial year ended on that date.
2. The managing 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.

Joe David
Managing Director

29 September 2022
Brisbane, Queensland

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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 2022, 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 2022 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

Key audit matter	*How the matter was addressed in our audit*
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 6 in the financial report. The recoverability of exploration and evaluation assets is a key audit matter due to: • the significance of the total balance; and • the level of procedures undertaken to evaluate 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.	Our procedures included, but were not limited to, the following: • 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 2022, 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 25 to 31 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Elementos Limited, for the year ended 30 June 2022, 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

A J Whyte
Director

Brisbane, 29 September 2022

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