

27 January 2023

ASX RELEASE

Elementos commences exploration drilling at Oropesa Tin Project

HIGHLIGHTS

- Eight-hole exploration drill program to target shallow extensions to Oropesa's Mineral Resource.
 - Follows completion of 10-hole infill program, targeting Mineral Resource confidence upgrade.
 - Resurgent tin price hits US\$29k/t on LME and ~US\$35k/t on SHFE, supporting project economics.
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Elementos Limited (ASX: ELT) has commenced an eight-hole 1,000m exploration drilling campaign at its Oropesa Tin Project, Spain, targeting additional mineralisation outside the 2021 Mineral Resource Estimate¹ (MRE).

The drilling will target the north-west and south-east ends of the deposit, and was designed based on results from the recent 10-hole infill drilling and the geotechnical drill program in 2022 at Oropesa. The company is awaiting one batch of assays to finalise an update to the 2021 MRE and support Oropesa's Definitive Feasibility Study (DFS).

Elementos Managing Director Joe David said continuation of exploration at Oropesa was an exciting time for the company amid DFS development and a surging tin price.

"We are advancing rapidly towards completing the DFS and increasing the confidence of the Mineral Resource Estimate," Mr David said.

"However, Oropesa remains prospective for additional mineralisation so it's quite exciting to kick off this exploration drilling program which will test extensions to our current Mineral Resource.

"Additional mineralisation, if intersected, should give our shareholders extra confidence that Oropesa's Mineral Resource is yet to be fully defined and the possibility that additional mineralisation and therefore mine life may exist outside the known mineralisation.

"Exploration is underway during a time when the tin price is surging, based on what appears to be a return to fundamental supply-demand analysis which shows a significant deficit in the tin market from 2024/2025 onwards," he said.

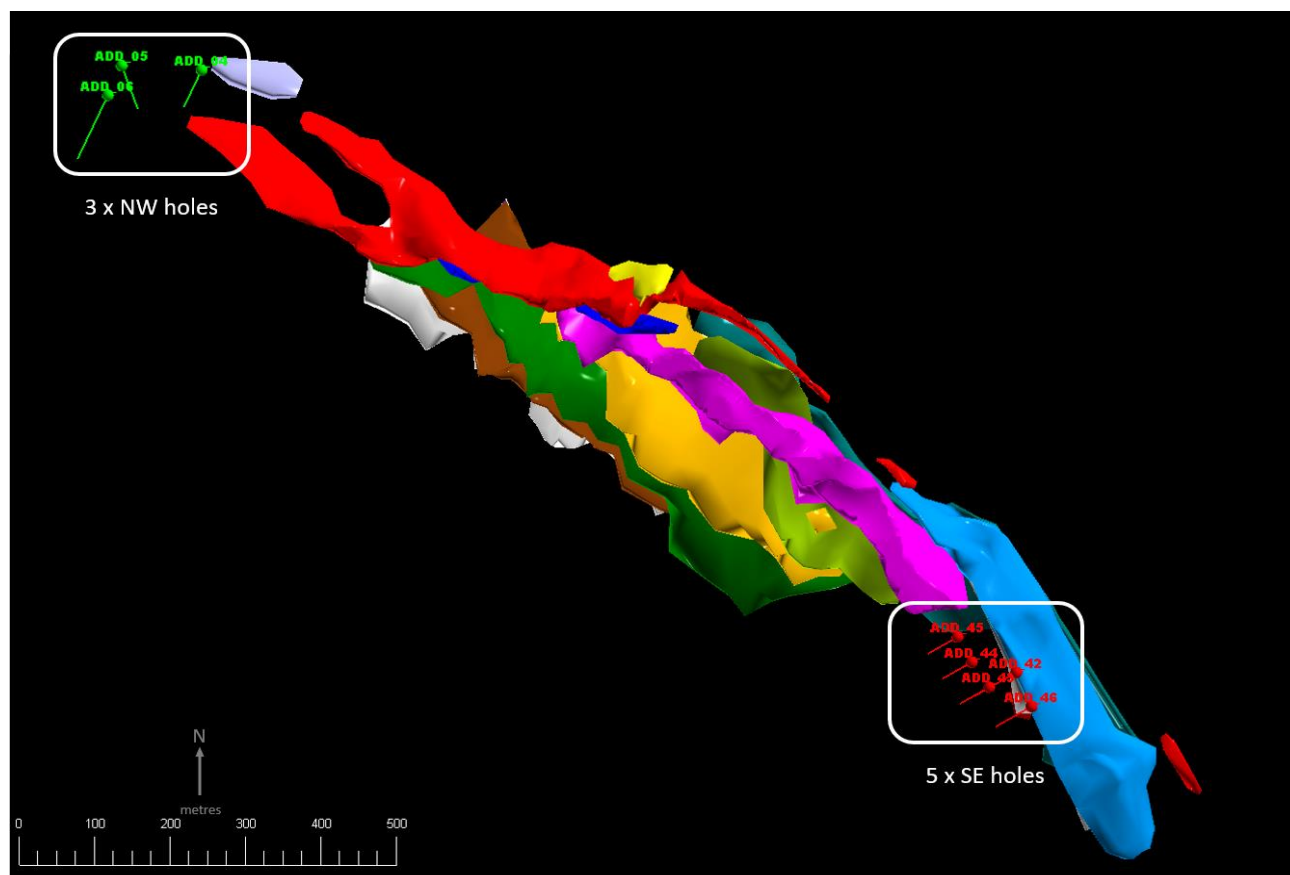


Figure 1. Overall geological model boundaries depicting the location of the proposed 2023 shallow exploration drill holes at Oropesa

| Oropesa Mineral Resource Estimate | | | |
|--|---|-----------------------------|---|
| Increased by 50% in November 2021 | | | |
| 88% now classified as Measured & Indicated | | | |
| | Measured & Indicated Mineral Resource | Shallow Resource (<100m RL) | Total Mineral Resource |
| 2018 ¹ | Total 9.34Mt 0.55% Sn [50.9kt Sn] | Total 1.37Mt | Total 12.54Mt 0.54% Sn [67.5kt Sn] |
| | + 78% | + 263% | + 50% |
| 2021 ² | Total 16.62Mt 0.38% Sn [63.9kt Sn] | Total 4.97Mt | Total 18.86Mt 0.40% Sn [75.4kt Sn] |

Figure 2. Nov-2021 Oropesa Mineral Resource Estimate¹ and its variance from the 2018 Mineral Resource Estimate

South-East Exploration Targets

Five shallow diamond drill holes will target potential up-dip and therefore shallower mineralisation towards the southeast margin of the Mineral Resource.

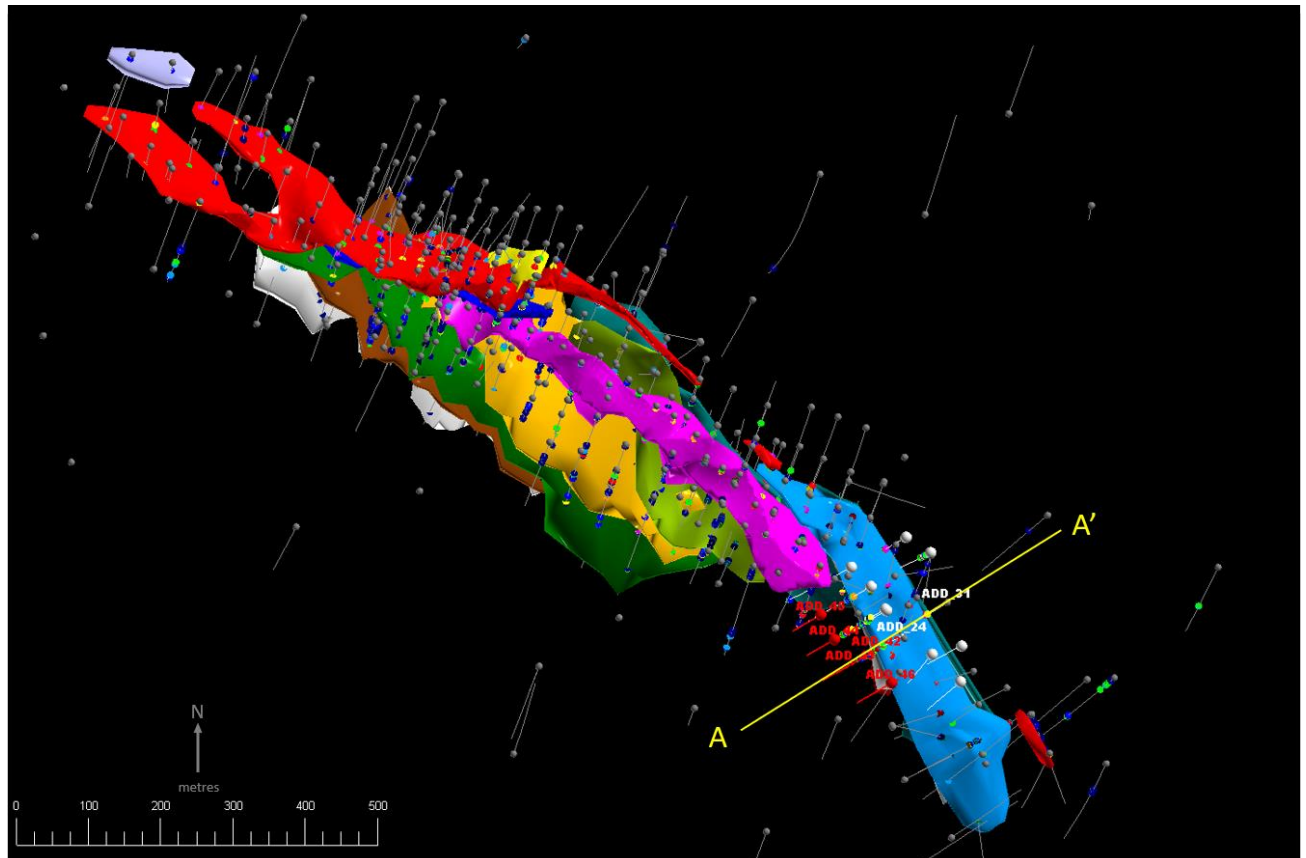


Figure 3. Interpreted Mineral Resource boundaries including the 2023 shallow exploration drill holes (2023 exploration drill hole locations in red, 2022 resource conversion drill holes in white^{3,4}, pre-2022 drill holes in grey)

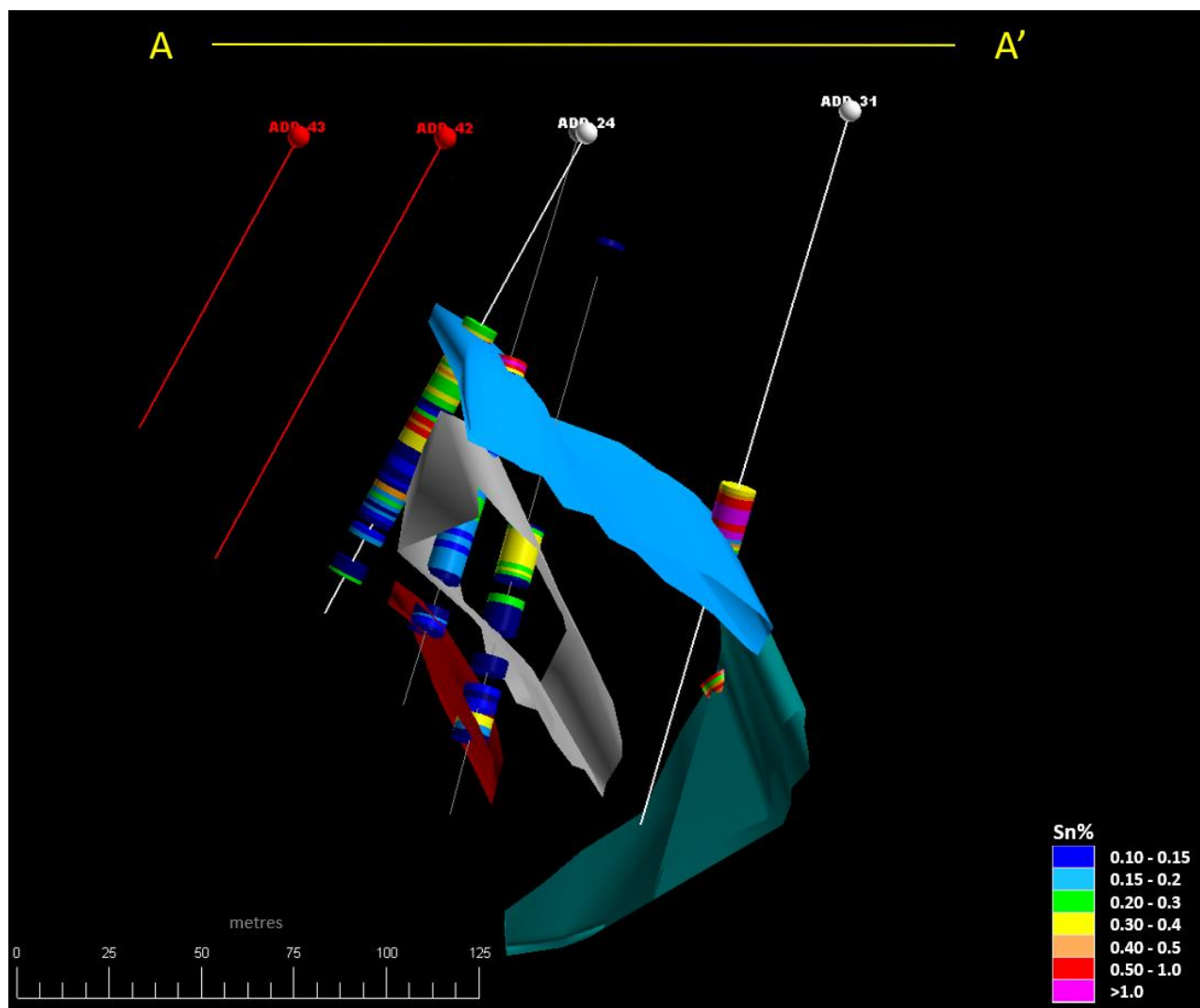


Figure 4. Section A-A (from Figure 3) depicting the location of the 2023 shallow exploration drill holes targeting up-dip extensions to the Mineral Resource boundary holes (2023 exploration drill hole locations in red, 2022 resource conversion drill holes in white^{3,4})

North-West Exploration Targets

Three diamond drill holes will target potential extensions to significant tin and zinc mineralisation intersected in geotechnical drill hole SGT-04² in 2022 located northwest of the current Mineral Resource boundary.

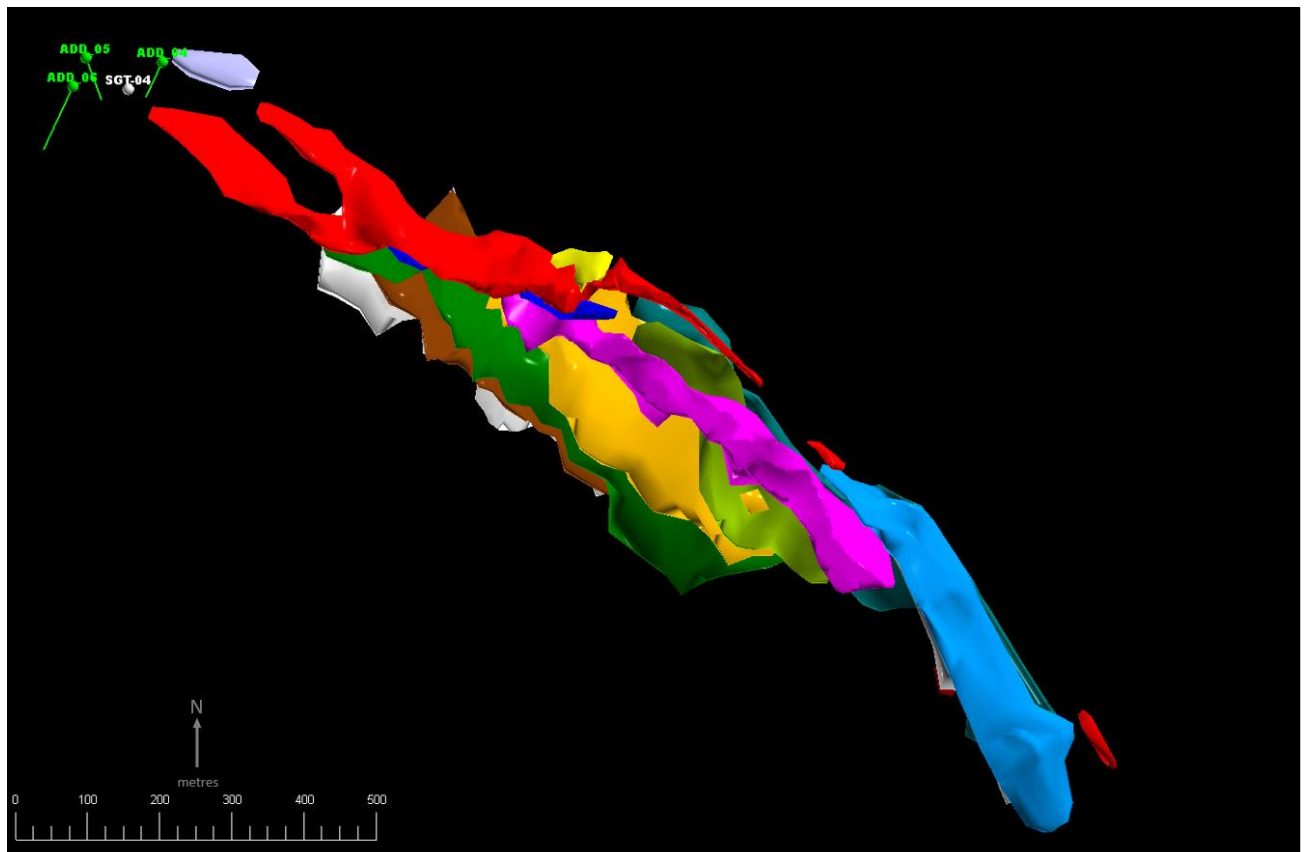


Figure 5. Location of exploration drill holes (green) located to the northwest of the interpreted geological resource boundary, targeting potential extensions to geotechnical drill hole SGT-04 (white).

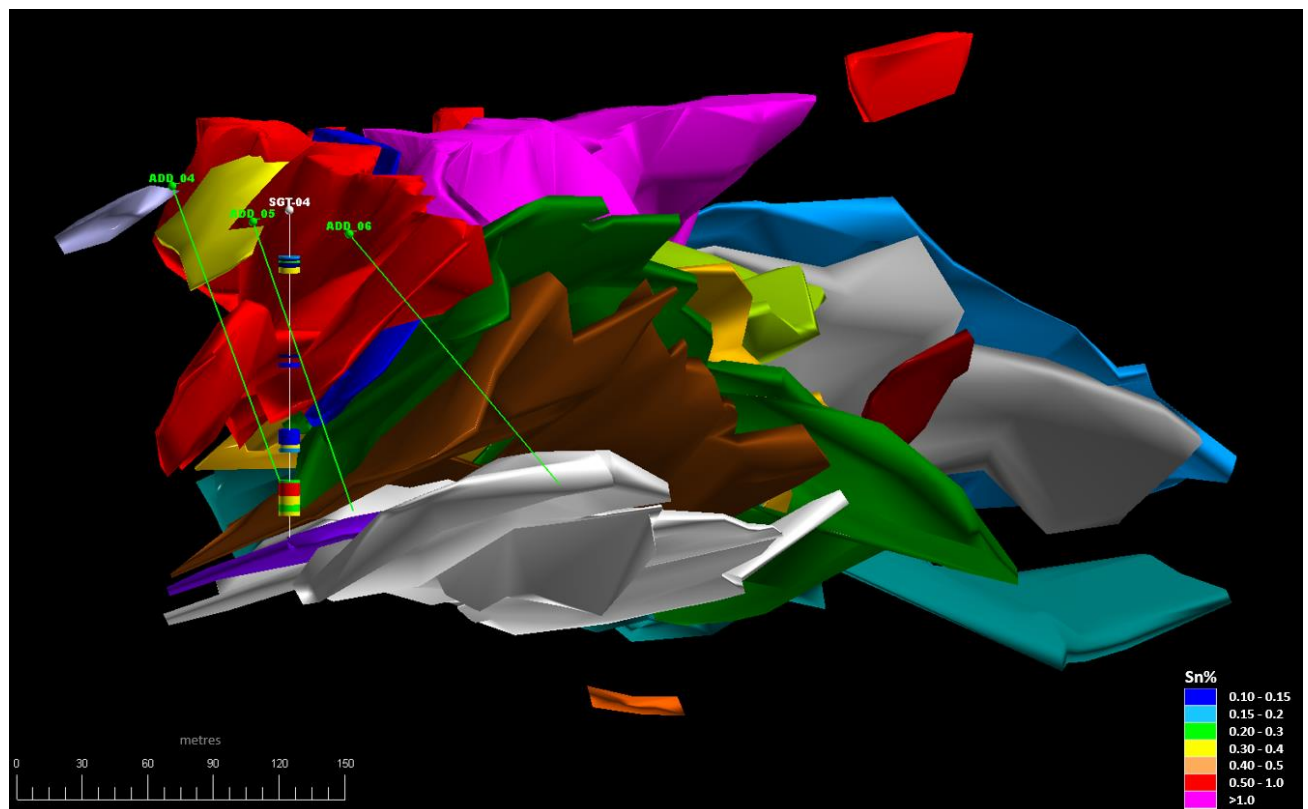
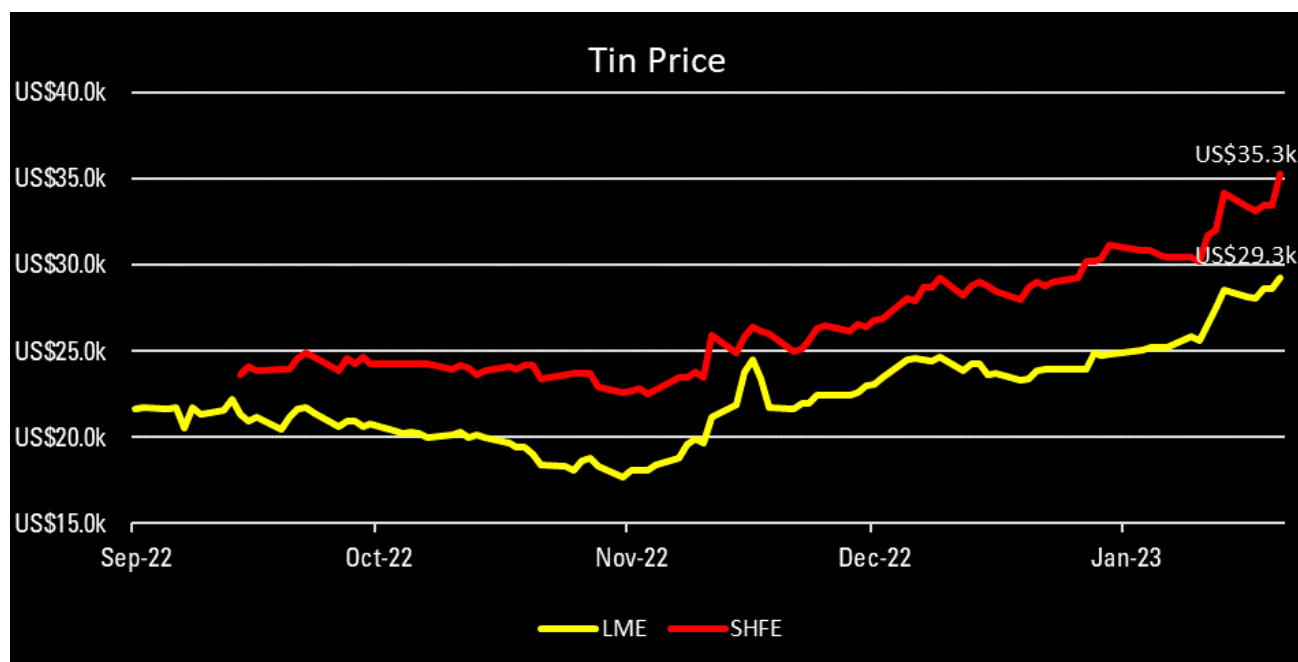


Figure 6. Location of exploration drill holes (green) located to the northwest of the interpreted geological resource boundary, targeting potential extensions to geotechnical drill hole SGT-04 (white). View looking towards the east.

Surging Tin Price

London Metals Exchange (LME) and Shanghai Futures Exchange (SHFE) tin prices have surged 65% and 56% respectively since November 2022. This price surge is likely attributed to:

1. Tin's critical nature being recognized further by global economies
2. Stockpile inventories at LME and SHFE being less than one week of global demand
3. Re-opening of China (and Chinese manufacturing) following documented Covid lockdowns
4. The slowdown of global inflation and the fears it may lead to a hard landing for global economies
5. The reiteration of the likely restrictions on exports by Indonesian officials (~18-20% global tin supply)
6. Recent political instability in Peru and the shutdown of the San Rafael mine (~12% global tin supply).



Elementos' Board has authorised the release of this announcement to the market.

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ABOUT ELEMENTOS

Elementos is committed to the safe and environmentally conscious exploration, development, and production of its global tin projects. The company owns two world class tin projects with large resource bases and significant exploration potential in mining-friendly jurisdictions. Led by an experienced-heavy management team and Board, Elementos is positioned as a pure tin platform, with an ability to develop projects in multiple countries. The company is well-positioned to help bridge the forecast significant tin supply shortfall in coming years. This shortfall is being partly driven by reduced productivity of major tin miners in addition to increasing global demand due to electrification, green energy, automation, electric vehicles and the conversion to lead-free solders as electrical contacts.

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 Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

References to Previous Releases

The information in this report that relates to the Mineral Resources and Ore Reserves were last reported by the company in compliance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Mineral Resources, Ore Reserves, production targets and financial information derived from a production target were included in market releases dated as follows:

- 1 – “Oropesa Tin Project Mineral Resource Estimate”, 8th November 2021
- 2 – “Oropesa Tin Project additional mineralisation”, 16th March 2022
- 3 – “2022 Oropesa Drilling Program Commences”, 26th June 2022
- 4 – “Optimisation Study Oropesa Tin Project”, 29th March 2022
- 5 – “Oropesa Infill Drilling Intercepts”, 16th August 2022
- 6 – “Oropesa Infill Drilling Progress”, 30th September 2022
- 7 - “Oropesa Infill Drilling Progress”, 24th October 2022
- 8 – “Oropesa drilling intersects additional tin mineralisation”, 16th November 2022

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 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 change.