

Elementos Limited
ABN 49 138 468 756
ASX: ELT

Annual Report 2023

For the year ending 30 June 2023

[elementos.com.au](https://www.elementos.com.au)

ELEMENTOS

TOMORROW'S TIN



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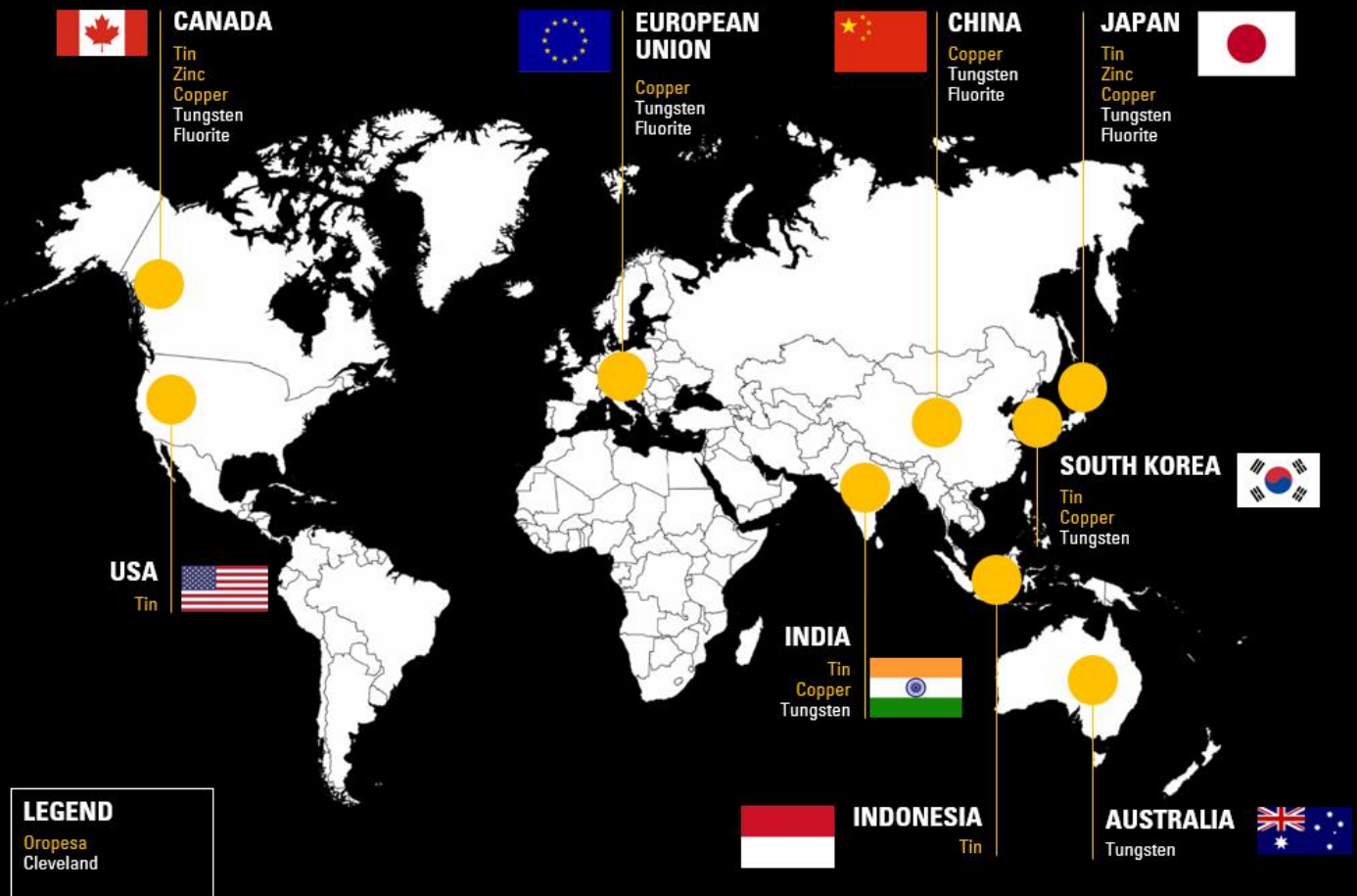
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Elementos is developing two world class tin projects to meet forecast supply deficits.

Our inventory of tungsten, zinc, copper and fluorite are also rated “critical” by many major economies. Uncertainty in international relations and changing geopolitical dynamics has seen the risk factors associated with securing these minerals grow significantly in importance for many developed economies.

Countries where Elementos’ minerals are listed as **Critical**.



Corporate Directory

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 Duncan Cornish (Company Secretary)

Head Office and Registered Office

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Auditor

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Share Registry

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Stock Exchange Listing

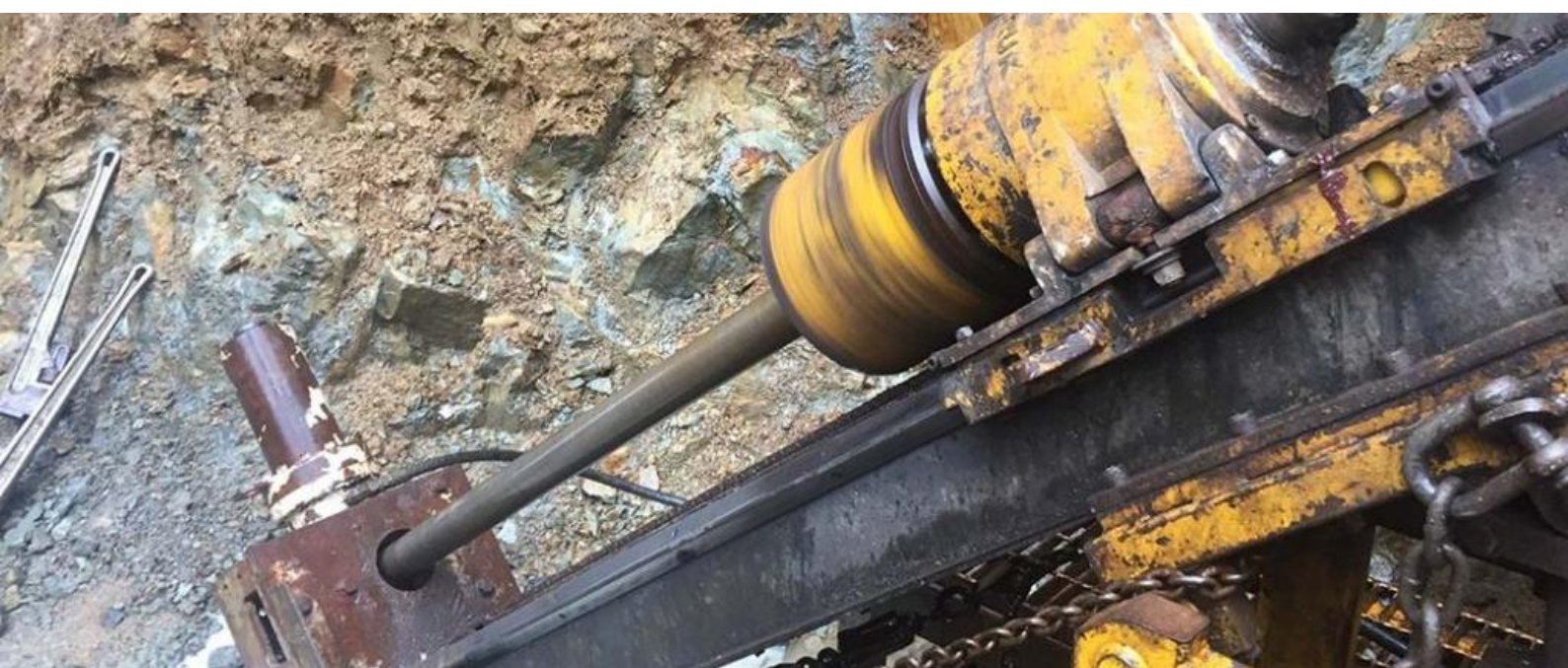
Australian Securities Exchange Ltd
ASX Code: ELT

Australian Business Number

49 138 468 756

Banker

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



Chairman's Letter

Dear fellow shareholders

The 2023 financial year has been an extremely busy period for the company as we continue to develop our independent and world-class tin projects in a safe, responsible way. We engaged with our local communities, stakeholders and regulators, and remain energised and focussed on becoming one of a few global companies positioned to deliver ethically sourced tin into growing supply deficits.

We continued to focus our efforts on our Oropesa Tin Project in Andalucia Spain, which is on track to deliver Europe's first and only significant tin mine into the European Union. The EU is acutely aware of the need for it to supply its own critical raw materials, remaining on track to deliver their Critical Raw Materials Act legislation, to support mining within the EU, before the end of 2023. We also matured our Cleveland Tin Project in Tasmania, Australia – which contains not only tin but other critical minerals such as copper, tungsten, and fluorite (which was highlighted this year).

The company has further matured Oropesa's Definitive Feasibility Study (DFS) while expanding the Mineral Resource and improving the geological confidence. The project has been significantly technically de-risked with the following elements all providing positive results to support the development of the project and required confidence levels to support the DFS: geology, mineralogy, metallurgy, geochemistry, water quality and tailings characteristics, thickening, concentrate grade and recovery, geotechnical results, environmental surveys, geohydrology, hydrology, water-balances, mass-balances to name just a few.

The remaining de-risking objectives for Oropesa are clear and are the major focus for our management team – project approvals, offtake and the financing of the project. I assure shareholders that we have a highly engaged management team who have the capability and fortitude to achieve successful outcomes on all these fronts.

Whilst the global macro-economic environment has been challenging to forecast over the past year, the facts moving forward remain clear for tin. Tin remains highly critical to the global electronics industry and its role in the energy transition is fundamental. There are only a handful of real tin projects in development globally. Oropesa and Cleveland are well placed to be two of only a few projects that get financed and developed in the next decade. The fundamentals of both projects are robust. Their locations are strategic and geographically secure (Europe and Australia). More importantly, they will be developed with high levels of sophistication and maturity driving towards high Environmental, Social, Governance (ESG) credentials.

Elementos' management continues to be highly engaged with the Andalucian authorities relating to Oropesa's approvals. The trading halt and short-term suspension of ELT shares in June this year was to address a number of issues raised by the authorities. Subsequent to that event, the company submitted its official response to the referenced correspondence on 17 July 2023, of which we await the formal response from the Department. The submission to the authorities includes some proposed modifications to the project layout to satisfy the requirements of the Department and further minimise environmental impacts. This interaction with the authorities and flexibility shown by our project team is visible evidence of ESG at work. We as a company, will always work with our stakeholders to ensure the project is being developed in a responsible way that engenders the backing of the community and regulators.

Throughout the recent interactions with the government on these approvals, the combined support from the regional (Andalucia), provincial (Córdoba), and local (Fuente Obejuna & Valle del Guadiato), authorities has been nothing short of overwhelming with all sharing an obvious desire to see the project approved to stimulate their respective economies and benefit the lives of their constituents. The project remains highly engaged with the Andalucia Project Accelerator Unit (of which it's a foundation mining member) which is proving invaluable and facilitates cross-department communication. The project continues to be more prominent daily as our staff engage positively with the local communities in which we operate.

At our Cleveland Project, we completed the reporting from the FY2022 drilling program, which identified material intersections of Tungsten 150m closer to the surface than previously recorded at the project. This drilling was followed up with downhole electromagnetic geophysical surveys, carried out on two drill holes during the period, mostly confirming known extensions to the Resource. The Cleveland Project has significant Mineral Resource Estimates published for tin, copper and tungsten; with the potential for additional minerals like fluorite (another "Critical Mineral"), also being identified at material grades. 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. A subdued tin price has created a challenging environment for many tin project developers to mature their projects toward production. However, Elementos remained focused on realising its vision and is confident it will enter a favourable tin market in the future. Tin remains one of the 'forgotten critical metals' and supply-demand models forecast significant deficits over the next decade and beyond. Tin has many growth opportunities driven by electrical solder usage, with solar PV, 5G rollout and increased automation and AI being the major demand generators, along with general electronics consumption.

I thank our shareholders for your ongoing support of Elementos over the past 12 months. The development of mining projects is not always a smooth or straightforward road, especially with the current macro-economic headwinds that continue to buffet the industry. However, we believe there has never been a better time to be developing critical mineral projects, with the general population starting to comprehend the massive shortages ahead.

I also thank our dedicated management team, led by Managing Director Joe David during a challenging year. I also want to again thank our former Non-Executive Director Brett Smith who stepped down in May 2023 following 3 and a half years of valued service to the company.

Elementos operates an integrated owners' team delivery model, so 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. The company operates multiple projects, across multiple time zones and jurisdictions around the globe and it's only with the correct team, culture and attitude that we achieve the many goals that we do.

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

Yours sincerely,



Andy Greig
Chairman

Review of Operations

Projects Overview

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

The company is focussed on maturing the OropesaTin Project through the completion of a Definitive Feasibility Study (DFS) whilst also maturing its understanding of the ClevelandTin Project, before formalising its development pathway.

Activities at Oropesa during the period initially focussed on acquiring the final data to support the DFS, but quickly moved into lab engineering and market engagement phases.

In September 2022, the company released its robust pilot scale metallurgical results, supporting the assumptions of previous studies, and appointed Duro Felguera as Process Plant Contractor, under an Early-Contractor Involvement (ECI) contract.

In February 2023, the company issued a Mineral Resource Update for its Oropesa Project, with 95% of the total Mineral Resource now being classified and Measured or Indicated. The company also had some very strong drilling results in its first 'outside the Resource' exploration program, hitting some VMS style mineralisation to the North-West of the main OropesaTin Resource.

Significant progress was made at the end of the financial year to complete the OropesaTin Project DFS, with major workstreams, packages and reporting over 90% concluded. However, as per the 22 June 2023 ASX announcement, the finalisation of the DFS was paused following communications with the Andalusian Administration related to project approvals.

In addition, Elementos continued to develop its Cleveland Tin Project in Tasmania, determining potential to increase the mineralisation of the project through exploration on prospective targets adjacent and below the existing resource, and also investigating the potential of other critical minerals, with the recent confirmation of significant fluoride mineralisation.

Oropesa Tin Project

Andalucia, Spain

The Oropesa Tin Project is located in the Guadiato Valley, in the Province of Cordoba, within the Andalucia autonomous region, Spain and as a result is strategically located within the European Union. Oropesa has one of the world's largest undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. It is an advanced tin project, significantly progressed through its Definitive Feasibility Study (DFS) and in detailed negotiation with the authorities for its major project approvals.

Oropesa consists of an exploration concession package (Investigation Permit No. 13.050) covering an area of 13.0km², 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 (copper, lead, silver, and iron) and coal, with coal mining ceasing in recent times on European Union intervention.

Tin mineralisation was first identified 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.



Figure 1. Oropesa Tin Project location

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.

Oropesa contains a JORC compliant Measured, Indicated and Inferred Resource of 75,834 tonnes of tin, 95% of which is classified as Measured or Indicated, which forms the basis for the DFS. Recently the company has announced significant zinc mineralisation, in the form of sphalerite, which has the potential for a maiden zinc Mineral Resource at Oropesa and a zinc by-product.

Definitive Feasibility Study Progress

The company continues to progress the OropesaTin Project DFS, via its subsidiary Minas de Estaño de España, and with the support of its Integrated OwnersTeam (IoT). The IoT is led by our Australian Owner’s Engineer, Wave International, supported by our Spanish study team, MINEPRO SOLUTIONS S.L. (formerly “SCYPI”). This IoT approach allows us to deliver best-for-project in-country solutions with experienced local contractors and consultants, whilst also meeting the high regulatory requirements of being an Australian listed entity subject to ASX and the JORC code.

The Integrated OwnersTeam continued to progress the DFS via regular workshops and meetings in Spain and Australia during the year. The team has continued to progress significantly on many fronts including the following summaries:

The DFS was significantly matured during the year, the following is a high-level summary of the key items progressed during the period:

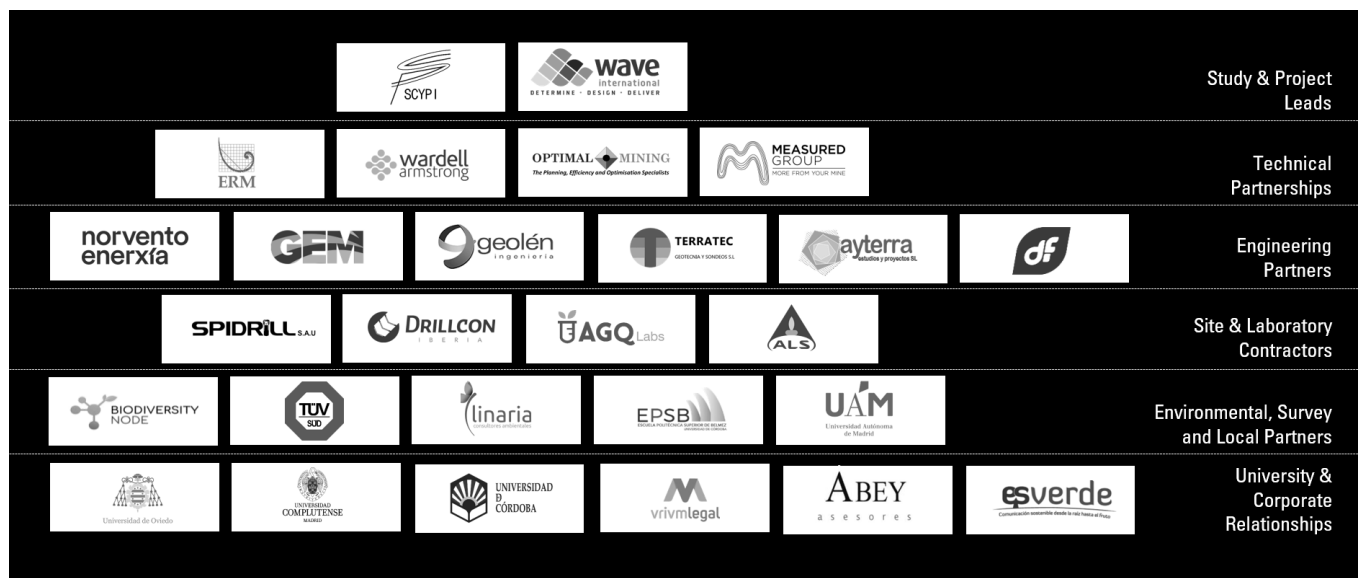


Figure 2. Integrated Owners Team

Metallurgical Processing

Pilot scale Metallurgical test work was successfully completed.

- Pilot-scale metallurgical test work confirms conventional and modern tin flowsheet for Oropesa Project, producing high-grade commercial tin concentrate
- Robust metallurgical upgrades and flow sheet confirmed from a representative bulk sample to set the basis of the Oropesa DFS (see Table-1)
- All physical test work completed, final reporting of pilot and variability test work underway
- Mineralogy confirms Oropesa is cassiterite tin-bearing mineral (>99%), with <0.5% stannite in Ore

	Plant Feed %	Concentrate Grade %	Tin Concentrate Plant Recovery %
Tin (Sn)	0.46	61.4	74.1
Iron (Fe)	12.85	4.9	
Total sulphide (Stot)	5.02	3.2	
Lead (Pb)	0.04	0.2	

Table 1. Pilot Plant Metallurgical Upgrade Results

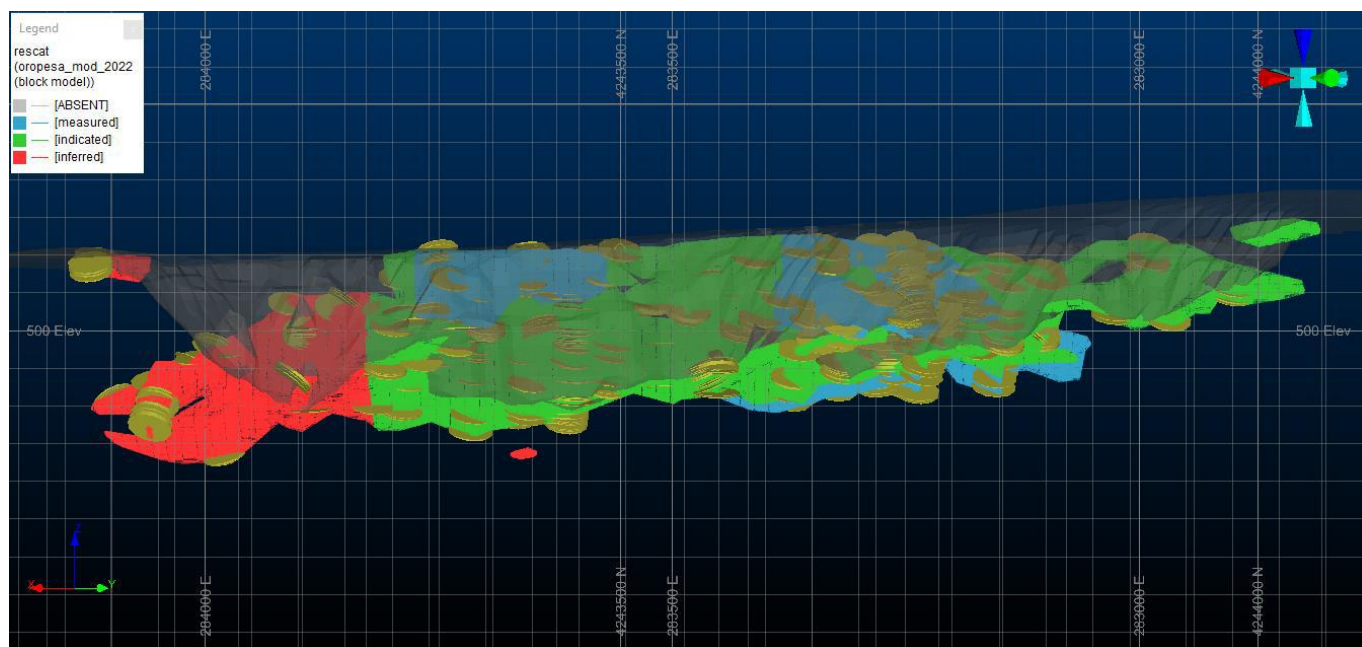


Figure 3: Oropesa Long Section Showing Block Model and Metallurgical Sample Locations

Ore Sorting Test Work

- The company ran two further bulk samples through the ore sorting equipment at the TOMRA facilities in Hamburg, Germany.
- The results have confirmed the previous ore sorting settings, used in the optimisation study, as robust upgrade and waste rejection factors, and have added to the confidence level of the study, sufficient for use in the DFS.

Mineral Processing Plant Contractor Awarded ECI Contract

- Mineral Process Plant design matured significantly throughout the quarter working with our Early Contractor Involvement (ECI) partner Duro Felguera (DF), a highly experienced Spanish EPC contractor. Highlights included:
 - Design development of materials handling facilities and the overall layout further optimised in conjunction with major earthworks pads.
 - 3D Modelling of the Plant has also been significantly advanced (see Figure-6) showing the main wet plant facilities.
 - Process Control Philosophy has been developed and drafting of Process and Instrumentation Diagrams (P&IDs) is in progress.
 - RFQs have been issued for civil and concrete works, structural steel fabrication and installation, and mechanical equipment installation.
 - Planning for execution of the works, including temporary construction facilities and schedule development has been initiated.
 - DF have provided Management Plans for the contract, including Project Execution Plan, HSE Management Plan, Environmental Management Plan, QA/QC Management Plan and Commissioning Procedure.
 - Review of electrical loads and distribution arrangements, including substations.
 - EPC Contract reviews continue to be negotiated towards an executable EPC contract.

Tailings Dam & Civil Workstreams

Civil Investigations

- During the period major civil investigations were completed for the tailings dam, waste dump and main infrastructure locations across the site.
- This included investigating locations for source material and defining the locations for key pieces of infrastructure.

Civil Designs

- Civil designs were progressed for the following project elements:
 - Roads & Tracks
 - Upgrade of public roads
 - Access roads from public roads to site
 - Relocation and upgrade of local farmers tracks
 - Ex-pit haul roads



Figure 4. Oropesa Tin Project Infrastructure Layout – Basic Detail (current DFS Design)

- Infrastructure pads
 - Mineral Process Plant
 - Dry Crushing and ore sorting circuits
 - Rom Pad & Primary crushing
 - Conveyors
 - Mine Contractor Area
 - Offices, workshops, parking and storage
 - Power switchboards & Reticulation
- Tailings Dam
 - Sulphide & non-sulphide tailings dams
 - Pipelines, pumps and supporting infrastructure
- Water Infrastructure
 - Water dam
 - Pipelines
 - Borefield
 - Overflow drains

Geology

Mineral Resource

During the year the company issued a Mineral Resource Update for its Oropesa Project. The MRE update achieved its goal of significantly upgrading the Inferred and Indicated Mineral Resource categories, increasing the geological confidence of the deposit. The MRE will be further assessed for conversion to JORC Ore Reserves, via techno-economic modification factors, as part of the Oropesa’s Definitive Feasibility Study (DFS).

Increase in Geological Confidence

- 100% of 2023 Mineral Resource Estimate (MRE) tonnes located within the 2022 Optimisation Study1 US\$30k/t Pit Shell are classified as Measured or Indicated (no Inferred Resources within the US\$30k/t Pit Shell).
- 95% of 2023 MRE is classified either Measured or Indicated Resources, totalling 18.5Mt (+11%) at 0.39% Sn.
- 38% of 2023 MRE is classified as Measured Resources, increasing by 3.1Mt (+73%) to 7.4Mt at 0.36% Sn.
- Elementos will assess the 2023 MRE, applying applicable Modifying Factors, for conversion to JORC Ore Reserves as part of its Definitive Feasibility Study (DFS) due for delivery in Q2 CY23.

Increased Tonnage

- Total 2023 MRE increases by 0.7Mt (+4%) to 19.6Mt at 0.39% Sn.
- 2023 MRE Measured or Indicated Resource contained tin increases to 71.8kt (+12%)

The Oropesa Tin Project MRE update was completed by Measured Group, following completion of an 11-hole in-fill drilling program and supersedes the Mineral Resource Estimate previously released in November 2021². The Mineral Resource Estimate was announced to the ASX on 14 February 2023 with JORC Table 1

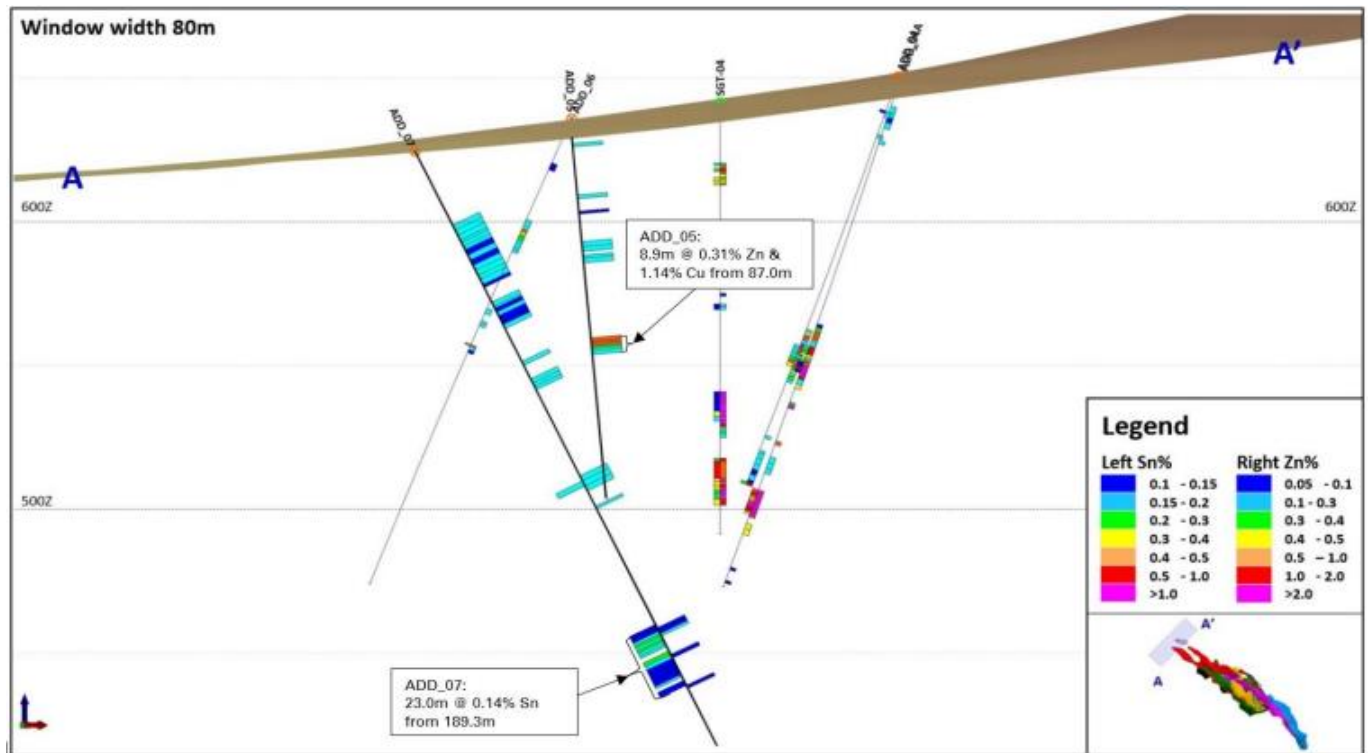


Figure 5 Cross-section depicting the outlines of the mineral resource wireframes and location of exploration drill holes ADD-04, ADD-05 & ADD-07, at the Oropesa Tin Project, Spain (looking towards the northwest)

Further Tin, Zinc and Copper Exploration Potential

During the year the company intersecting further tin, zinc and copper mineralisation outside the Mineral Resource, to the north-west of the main tin deposit. These results were announced to the ASX on the following dates in 2023: 22 June, 16 May, 29 March and 21 February. They include the following significant results:

Significant assay results (0.1% Sn cut-off grade):

ADD_05:- 8.9m @ 1.14% Cu & 0.31% Zn from 87.0m

**ADD_04:- 19.7m @ 0.12% Sn, 0.96% Zn & 0.7% Cu from 93.7m including:
2.1m @ 0.13% Sn, 5.28% Zn & 2.81% Cu from 99.0m
8.8m @ 0.23% Sn, 1.65% Zn & 1.21% Cu from 99.0m &
1.0m @ 0.23% Sn & 1.83% Zn from 151.0m**

**ADD_04A:- 22.5m @ 0.11% Sn, 1.43% Zn & 0.77% Cu from 92.6m (0.1% Sn cut-off grade), including
10.0m @ 0.24% Sn, 2.44% Zn & 0.82% Cu from 99.5m
2.2m @ 0.05% Sn & 3.78% Zn & 1.32% Cu from 120.2m
10.0m @ 0.56% Sn, 4.65% Zn & 0.32% Cu from 152.9m**

Geological Database

The company continues to finalise its excel based database into a propriety database (Micromine Geobank). This includes a London based consultant, ALS laboratories and a validation exercise which is designed to confirm the quality of the data and link to its primary source. This process has progressed smoothly and is in its final stages.

Zinc Assays & By-product potential

Elementos confirmed significant zinc mineralisation from assays within Oropesa Tin Project's Mineral Resource area on 3 August 2023.

- Zinc mineralisation reported from 282 historic drillholes within and surrounding Oropesa's tin Mineral Resource wireframe areas.
- Zinc metallurgical test work from Wardell Armstrong Laboratories (UK) confirms potential to develop an additional incremental and low-cost by-product zinc concentrate (>40% Zn at 50-75% Zn recovery) at Oropesa from zinc feed average grades of ~0.5% Zn.
- Ore sorting test work at TOMRA laboratories also confirms an average +28% upgrade of zinc ore feed grades when processed with cassiterite.
- Elementos performing additional modelling on Oropesa's zinc mineralisation to confirm potential of delivering a maiden Zinc Mineral Resource during 2H CY2023.

Mine Planning

- During the year the company significantly progressed detailed mine planning activities:
 - Detailed pit design and staging was completed.
 - Design of the topsoil, in-pit and out of pit dumps was completed.
 - Waste haulage to the tailings dam construction was completed.
 - Blasting and grade control drilling activities were designed and scheduled.

- Ore and Waste schedules were completed, with only minor refinement required to complete the final DFS schedule.
- Tender documentation were developed, sent and evaluated from six pre-selected contract miners, set included:
 - Request for Tender documents
 - Scope of Works (inclusive of Division of Responsibility Matrix)
 - Mining Schedule (ore, waste and equipment)
 - Drawing set (mining and sitewide)
 - Truck Haulage paths
 - Six-monthly topography
 - Animation.
- The ROM pad has been re-positioned at the top of the pit master ramp / bottom of the waste dump, ~750m closer to the pit which materially reduces ore haulage distance (~1.5km round trip) and thus reduces truck turn-around time, truck numbers, diesel burn, CO2 emissions and unit operating cost. The 750m reduction will now be serviced by a conveyor between the primary and secondary crushing, being delivered under DFS Process Plant and NPI scope.
- The final mine planning activities which will lead to the declaration of a maiden Ore Reserves Statement have been placed on hold, due to the pending feedback on project footprints from the Andalusian regulators. Any adjustment to footprints will likely lead to some re-work to ensure full alignment between DFS designs and regulatory approvals.

Tailings Dam, Waste Dump Facilities & Water Dam

- Tailings Dam Design completed to a level to support market pricing was completed.
- Further site investigations and laboratory works were completed in both the locations of the Tailings dam wall and the source material locations to further refine material suitability.
- Final Tailings dam location continues will be confirmed following feedback from the Andalusian regulators, then it will be finalised for regulatory submissions.

Non-Process Infrastructure

Power Supply

- Spanish power supplier ENDESA confirmed the availability of sub-station connection point and power supply to the Oropesa project, subject to conditions and ongoing negotiations which are commercial in nature.
- Further high voltage alignment work is underway to confirm final route to site to support approvals and DFS.
- Study completed on alternative forms of power generation (waste energy recovery, renewable alternatives), but base case for DFS is confirmed to remain a power grid connection.

Buildings, Offices & Workshops

- With the support of Duro Felguera the company is currently seeking market pricing from a number of Spanish builders for the provision of buildings to service the project.
- This includes the provision of potable water, sewage, gas and supporting services.
- Laboratory services have been tendered separately but their building is contained in the building package.

Offtake and Concentrate Sales

- During the year the company conducted an Expression of Interest (EOI) with thirteen offtake parties, a combination of smelters and traders offering a wide variety of commercial models and finance structures.
- This EOI process has confirmed that the Oropesa concentrate is an attractive concentrate and there appears to be limited pushback to any specific characteristics.
- The company will continue to progress these discussions to support the DFS but will also look to short-list a number of parties to further commercial discussions.

Update on Regulatory Approvals and DFS (as at time of 2023 Annual Report publication)

On 20th June the Minas de Estaños de España received correspondence from the local department considering its Environmental Application, stating that they considered elements of the proposed mining project and treatment plant (Project) were not fully compatible with certain environmental regulations. Since receiving the correspondence, Elementos has worked with its local team, advisors, and local authorities to clarify and better understand the communications and their potential impact on the Oropesa Tin Project and to plan the optimal pathway to licencing. This has included meetings with the Environmental Department, Mining Department, Project Accelerator Unit and Senior Government Officials (Local, Provincial, Regional). We are now confident, following these meetings, that the Oropesa Tin Project is better understood by the relevant department and continues to have strong support at all levels.

The company submitted its official response to the referenced correspondence on Monday 17th July, subsequent to year end. The company will continue to work closely with the authorities as this submission is assessed and a plan is agreed in a consultative manner. The submission to the authorities includes some proposed modifications to the project layout to satisfy the requirements of the department and further minimise impacts.

The company will provide further updates to the market when the proposed modifications are agreed, and the forward plan is ratified. Once this modified scope is confirmed, the DFS will re-commence and timelines to completion will be established.

Cleveland Tin Project

Tasmania, Australia

The Cleveland Project is located at Luina, approximately 80km southwest 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 (Foleys Zone). The Company continues to assess the potential of developing these resources for the recovery of tin, copper, tungsten and fluorite. It is important to note that tungsten has been identified as a critical mineral by the Australian Government, with tungsten, fluorite and tin having been identified as critical minerals by a number of Australia’s strategic partners (including the USA, UK and the EU.)

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.

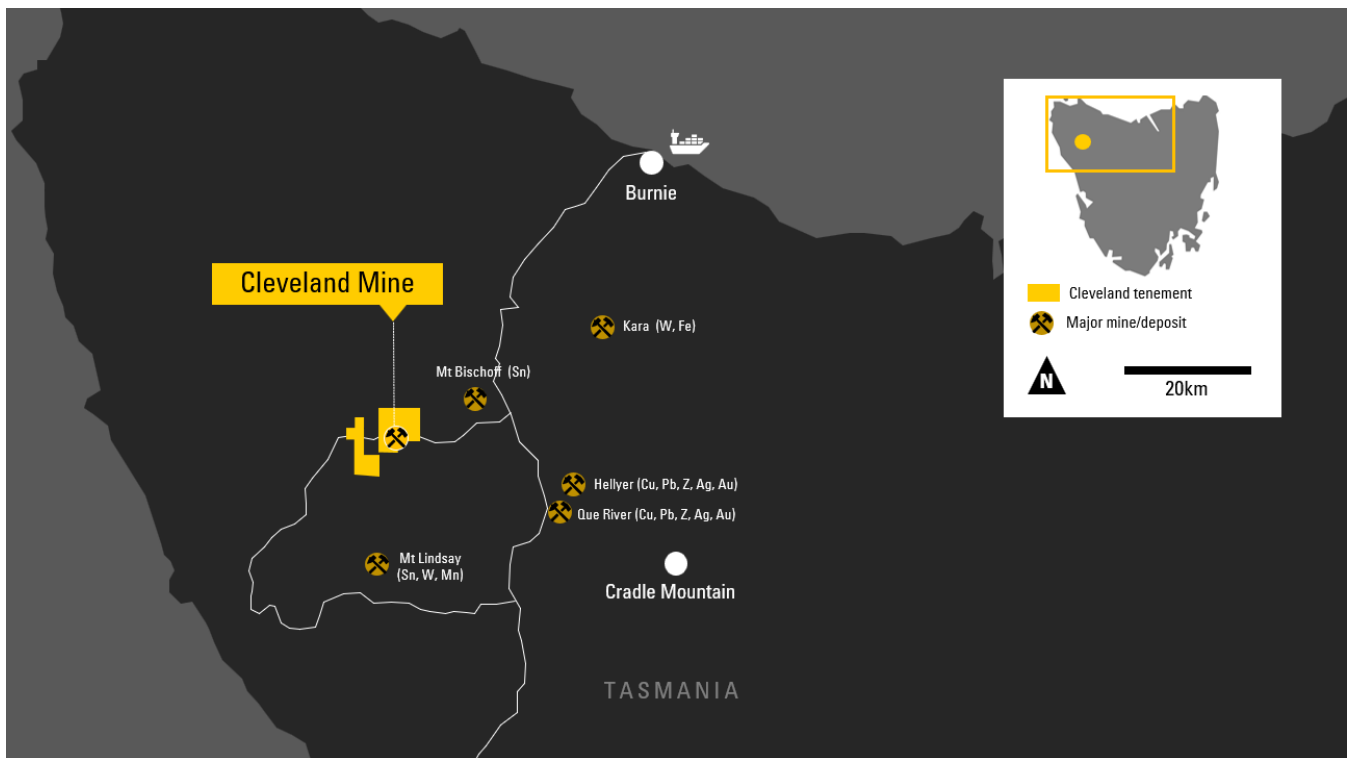


Figure 6 Cleveland Tin Project location (EL7/2005)

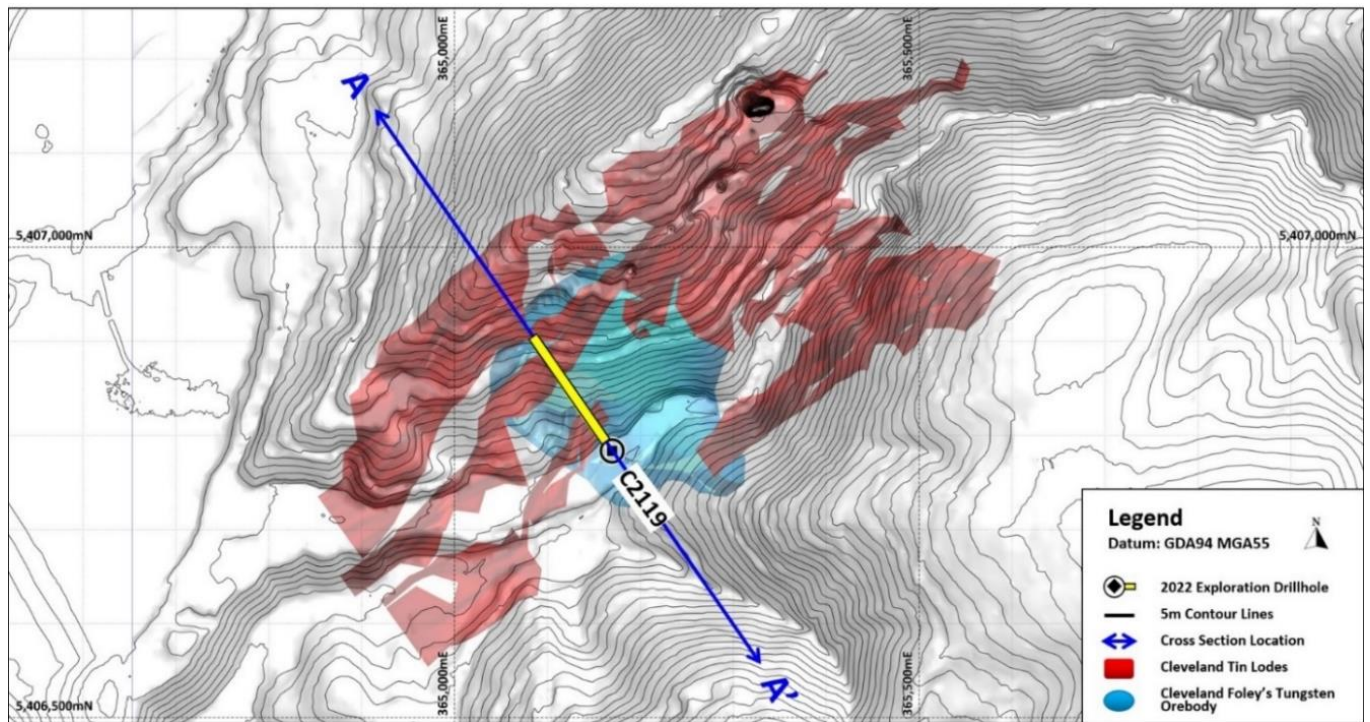


Figure 7. Topographical plan showing the location of drill hole C2119 and the current Cleveland Tin Lodes and Foleys Zone tungsten resource

The Cleveland Project is being steadily progressed towards development. In 2022, the company completed a 1,130m four-hole exploration diamond drilling campaign testing geophysical anomalies along strike north-east of the current resource and an additional target within the previously mined area, between the tin-copper ore bodies and deeper tungsten Foleys Zone ore body.

Significant results were recorded for the exploration drill hole located within the untested zone between north-east dipping and southwest dipping limbs of the historical underground mine workings (C2119), with extensions identified to the Battery Tin-Copper Lode and a new zone of mineralisation identified 150m above the tungsten Foleys Zone Resource. Both zones included significant broad zones of fluorite mineralisation.

The confirmation of two broad zones of significant fluorite mineralisation being intersected at the Cleveland Tin Project is additional confirmation that the company holds a very special asset in Tasmania. The historic tin mine is one which is clearly highly mineralised and just starting to show its potential as a source of other critical minerals.

All three drill holes intersected the Cleveland ore host horizon geological sequence (Halls Formation) and recorded anomalous tin, copper and zinc. All three drill holes intersected carbonaceous black shales (conductive) which contained disseminated and laminar exhalative pyrite at the interpreted location of the self-potential anomalies.

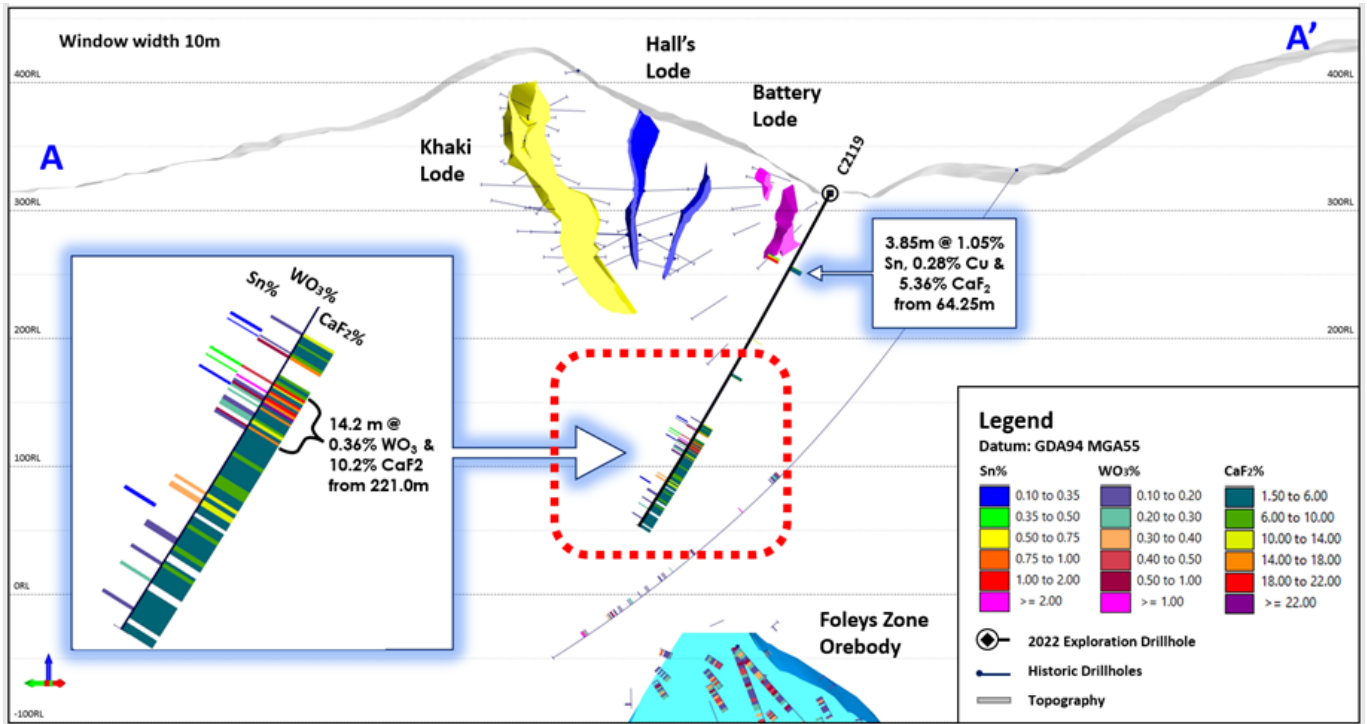


Figure 8. Section A-A' of C2119 Drilling (with assays plotted) looking northeast.

Downhole electromagnetic geophysical surveys were carried out on drill holes C2120 and C2122. An off-hole anomaly was detected in drill hole C2120 which corresponded to the location of known mineralisation to the west, within the Halls Lode. No off-hole anomalies were detected in drill hole C2122.

Whilst the down hole assays and geophysical surveys did not produce significant results, they do continue to highlight the prospectivity for additional mineralisation in the area.

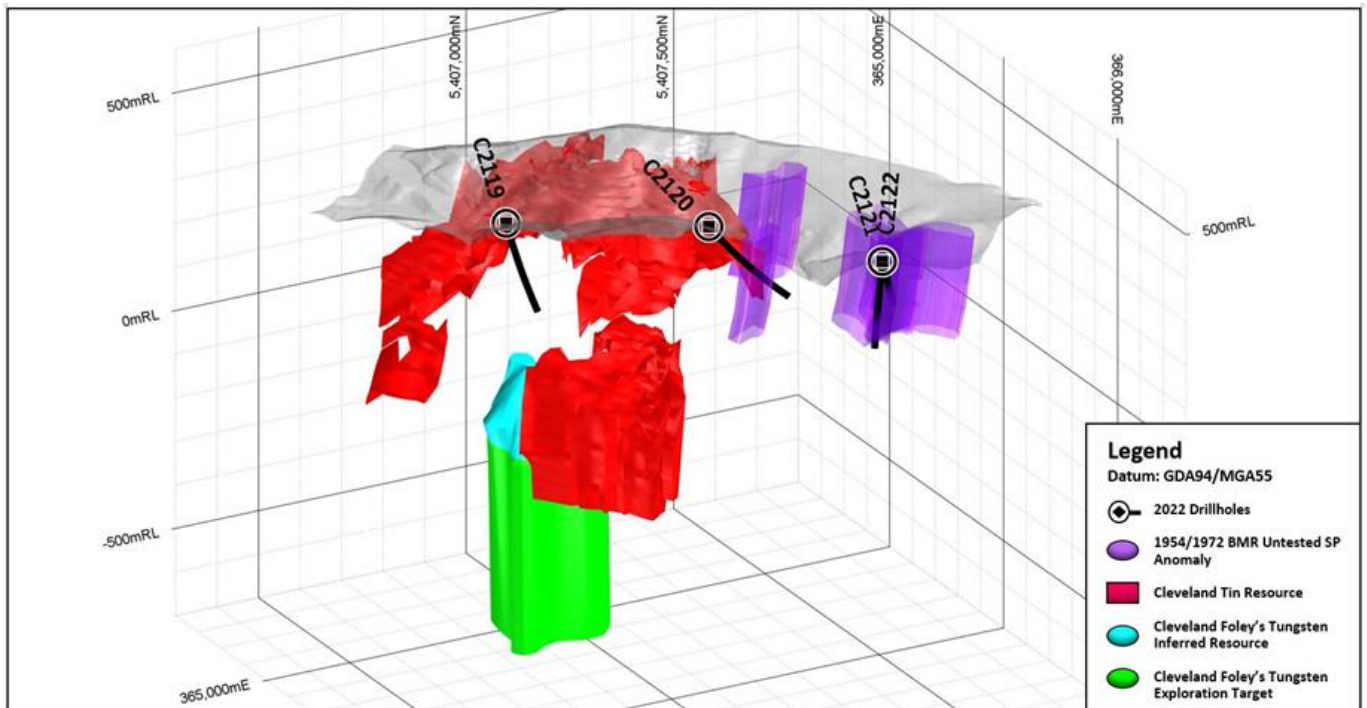


Figure 9. 3D view of the Cleveland 2022 diamond drilling program looking from the southeast



Figure 10. Coarse grained fluorite (purple) with wolframite (black) and molybdenite (silver) with quartz ± carbonate ± sericite (G2119)

Corporate

Placement

On 5 April 2023, the company announced it had successfully completed a \$3.0 million Placement to fund completion of several significant project milestones at its Oropesa Tin Project in Spain. The Placement was supported by existing and new institutional, professional and sophisticated investors. Fully paid ordinary shares were issued under the Placement at an issue price of \$0.18 per Share. Morgans and BW Equities acted as Joint Lead Manager to the Placement, which was strongly supported by Elementos’ Directors and existing shareholders. Elementos’ Directors (or their associated entities) subscribed for a total of 4,805,556 Shares (approximately \$865,000) under the Placement which was approved by shareholders at an extraordinary general meeting (EGM) of shareholders in May 2023.

Tin Pricing

The London Metals Exchange (LME) tin price increased 3% during the year from US\$27,000/t (1 July 2022) to US\$27,700/t (30 June 2023) www.LME.com as the market navigated a period of weak demand (caused by high inflation, interest rate increases and Chinese lockdowns) and even weaker supply. The supply side challenges continue to persist with major tin producers China, Myanmar, Indonesia, Peru & Bolivia all experiencing significant concentrate or metal supply shortages during the year. These major tin supply and demand issues created a volatile price environment with tin prices ranging from as low as US\$17,700/t on LME (31 Oct 2022) to US\$35,294/t on SHFE (20 Jan 2023).

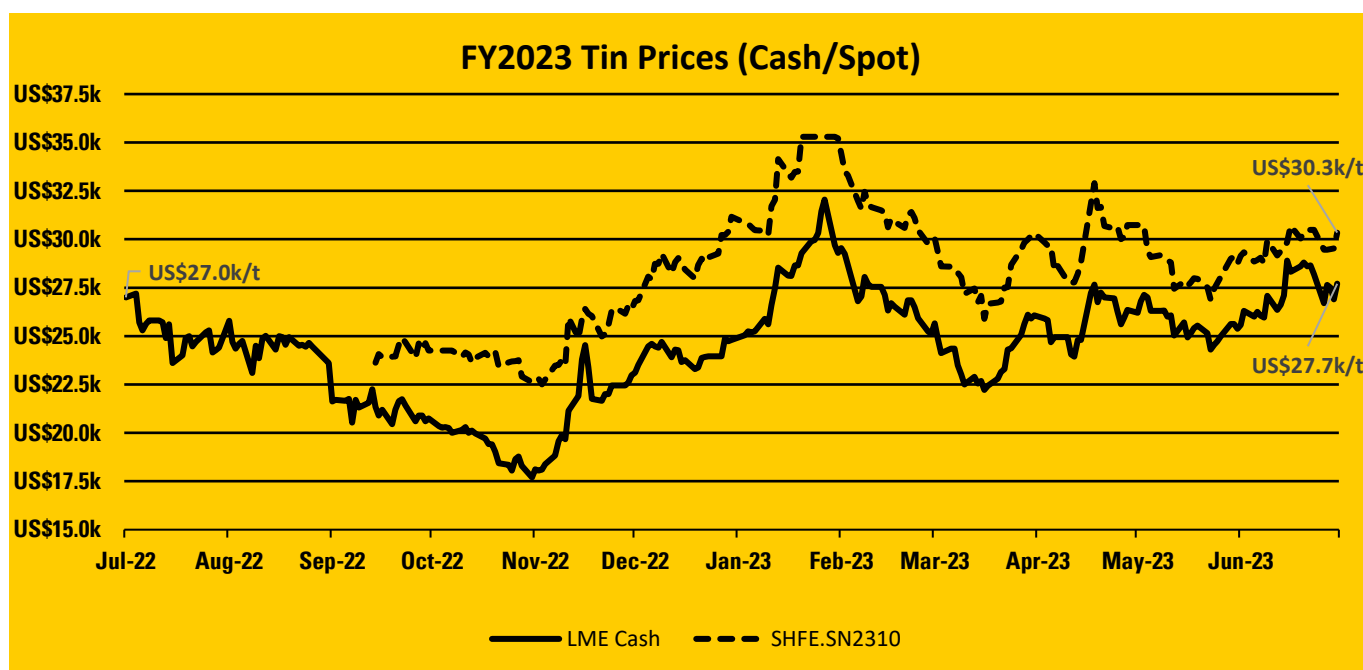


Figure 11. LME and SHFE Tin Prices during FY 2023 (www.LME.com & www.shfe.com.cn/)

Oropesa Project Debt Advisor Appointment

In January 2023, Elementos engaged London based Debt Advisors Terrafranca to support the debt serviceability during the Oropesa Definitive Feasibility Study (DFS). In addition, Terrafranca have engaged, and introduced Elementos, to a number of global debt providers and assist the company proceeding into project finance.

Environmental, Social and Governance

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

Elementos has subsequently progressed in the following manner:

- ✓ Held ESG sub-committee meetings of the Board of Directors,
- ✓ Responded to Administrative queries regarding its Environmental Impact Study and Restoration Plan for the Oropesa Project in Spain which is designed to comply with European regulations and OECD guidance.
- ✓ Continued to improve long-term relationships with the communities in which we operate 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.

Revised Tin Code Reporting Plan

As the Tin Code was not yet formally available to explorers and developers last year, Elementos initiated discussions with the ITA on reporting against the tin code during FY2023. Whilst the company was informed that the ITA board approved mine developers to report against the Tin Code in November 2022, the company did not receive the terms and conditions to do so until Q2-2023, the company has subsequently decided to delay its reporting against the tin code for at least one more year, to ensure it has the adequate time and resources to deliver a suitable submission aligned with its projects environmental commitments.

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



Figure 12. 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 2023

Category	Tonnage (Kt)	Sn Grade %	Contained Sn (t)
Measured	7,418	0.36	26,801
Indicated	11,113	0.41	45,012
Sub: Measured & Indicated	18,532	0.39	71,813
Inferred	1,071	0.38	4,021
Total	19,602	0.39	75,834

*Feb-2023 Oropesa Mineral Resource Estimate at a 0.15% Sn cut-off
Table subject to rounding errors; Sn = tin*

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

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

Significant changes in the 30 June 2023 Resource Estimate compared to the 2022 Resource Estimate are;

- Total 2023 MRE increases by 0.7Mt (+4%) to 19.6Mt at 0.39% Sn.
- 2023 MRE Measured or Indicated Resource contained tin increases to 71.8kt (+12%)
- 100% of 2023 Mineral Resource Estimate (MRE) tonnes located within the 2022 Optimisation Study¹ US\$30k/t Pit Shell are classified as Measured or Indicated (no Inferred Resources within the US\$30k/t Pit Shell).
- 95% of 2023 MRE is classified either Measured or Indicated Resources, totaling 18.5Mt (+11%) at 0.39% Sn.
- 38% of 2023 MRE is classified as Measured Resources, increasing by 3.1Mt (+73%) to 7.4Mt at 0.36% Sn.

See ASX Release on 14th February 2023 "Oropesa Tin Project – 2023 Mineral Resource Update"

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 2022 and 30 June 2023 – 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 2022 and 30 June 2023 – 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)

30 June 2022 and 30 June 2023 – unchanged

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

Table subject to rounding errors; WO₃ = tungsten oxide

Tailings Ore Reserve (at 0% Sn cut-off)

30 June 2022 and 30 June 2023 – 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 an employee 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 an employee to Elementos Ltd. Mr Creagh is a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and who consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Chris Creagh has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Cautionary Statements

Forward-looking statements

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

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

Elementos has concluded that it has a reasonable basis for providing these forward-looking statements and the forecast financial information included in this Presentation. This includes a reasonable basis to expect that it will be able to fund the development of the Oropesa Tin Project upon successful delivery of key development milestones. The detailed reasons for these conclusions are outlined throughout this ASX release and in Appendix 1 (JORC Code 2012, Table 1. Consideration of Modifying Factors) contained in the announcement released to the ASX on 29 March 2022. All material assumptions and technical parameters underpinning the production target and forecast financial information contained in the Study continue to apply and have not materially changed.

While Elementos considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved. To achieve the range of outcomes indicated in the Study, pre-production funding in excess of US\$86m will likely be required. There is no certainty that Elementos will be able to source that amount of funding when required. Discussions with potential funders have confirmed that a project of this scale will be able to be funded with a combination of Debt and Equity. The company is confident that the capital costs are sufficiently low that raising the required equity will be possible. The company continues to have the full support of its existing largest shareholders and is working with potential offtake partners, brokers, senior debt providers, private equity firms and traditional funders to ensure that the Company will be in a position to fund the project as needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Elementos' shares. It is also possible that Elementos could pursue other value realisation strategies such as a sale, partial sale or joint venture of the Oropesa Tin Project. This could materially reduce Elementos' proportionate ownership of, and corresponding funding liability, for the Oropesa Tin Project.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be

fulfilled. Elementos undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

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

Mineral Resources, 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
6. Oropesa Tin Project – 2023 Mineral Resource Update, 14th February 2023

References to Previous Releases

1. Optimisation Study Oropesa Tin Project, 29th March 2022
2. Oropesa Tin Project- 2022 Drilling Program, 29th 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
9. Process Plant contract awarded Oropesa Tin Project, 20th Sept 2022
10. Oropesa Pilot Scale Metallurgical Results, 29th Sept 2022
11. Significant mineralisation outside Oropesa Resource, 21st Feb 2023
12. Fluorite Confirmed at Cleveland Project, 3rd Mar 2023
13. Director Resignation, 26th May 2023
14. Update on Regulatory Approvals and DFS, 20th June 2023
15. Elementos confirms zinc at Oropesa Tin Project, 3rd August 2023

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 2023.

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
Mr Corey Nolan
Mr Calvin Treacy
Mr Brett Smith (resigned 26 May 2023)

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.

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.

Brett Smith- (resigned 26 May 2023)*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 was 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).

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	Options
A. Greig	26,442,901	-	360,000
J. David ⁽¹⁾	273,631	2,200,000	-
C. Nolan	249,545	-	360,000
C. Treacy ⁽¹⁾	1,548,107	-	360,000

(1) The Company has agreed to issue 6,000,000 share options to Mr David and 1,500,000 share options to Mr Treacy subject to shareholder approval at the 2023 Annual General Meeting. The share options are to be issued in three equal tranches with the following exercise prices: tranche 1: \$0.25, tranche 2: \$0.30 and tranche 3: \$0.35, each tranche has an expiry date of 30 June 2026 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 \$2,225,307 (2022: \$2,230,637).

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 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 31 August 2022 the following share options were 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 options lapsed).

On 16 November 2022 following shareholder approval, the Company issued 1,800,000 unlisted options with an exercise price of \$1.10 per share and expiry of 31 May 2025 to Non-executive Directors and Company Secretary.

On 5 April 2023, the Company announced that it had received commitments to complete a private placement of 16,611,111 shares to be issued at \$0.18 per share. The transaction completed in two tranches as follows:

- On 13 April 2023 11,444,444 shares were issued at \$0.18 per share raising \$2,060,000.
- On 5 June 2023, following shareholder approval, 5,166,667 shares were issued at \$0.18 per share raising \$930,000.

At 30 June 2023, the Company had 194,740,085 ordinary shares, 3,300,000 performance rights and 1,800,000 unlisted options on issue.

On 28 August 2023, the Company cancelled 360,000 options with an exercise price of \$1.10 and expiry of 31 May 2025.

On 8 September 2023, the Company issued 2,100,000 options in three equal tranches with the following exercise prices: tranche 1: \$0.25, tranche 2: \$0.30 and tranche 3: \$0.35, each tranche has an expiry date of 30 June 2026 and vest immediately upon grant.

As at the date of this report, the Company had 194,740,085 ordinary shares, 3,300,000 performance rights and 3,540,000 unlisted options on issue. The Company has agreed to issue a total of 7,500,000 share options to the Managing Director and a Non-Executive Director subject to shareholder approval at the 2023 Annual General Meeting.

Financial Position

At 30 June 2023, the Group's net assets totalled \$21,913,878 (2022: \$20,019,846) which included cash assets of \$3,449,654 (2022: \$6,270,173).

The Group's working capital, being current assets less current liabilities has decreased from \$6,001,367 in 2022 to \$2,697,455 in 2023, principally due to ongoing exploration and evaluation 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

There was no significant changes in the state of affairs of the Group in the financial year.

Events After Reporting Date

Subsequent to the reporting period the following occurred:

- On 28 August 2023, the Company cancelled 360,000 options with an exercise price of \$1.10 and expiry of 31 May 2025.
- On 8 September 2023, the Company agreed to issue 9,600,000 options in three equal tranches with the following exercise prices: tranche 1: \$0.25, tranche 2: \$0.30 and tranche 3: \$0.35, each tranche has an expiry date of 30 June 2026 and vest immediately upon grant. A total of 2,100,000 options were issued on 8 September with the remainder to be issued subject to shareholder approval at the 2023 Annual General Meeting planned for late November 2023.
- As previously disclosed, the Company's wholly owned subsidiary, Minas de Estano De Espana (MESPA) has been involved in legal proceedings with Sondeos & Perforaciones Industriales Del Bierzo, SA (SPIB) and its principal Mr. José Cereijo Soto. During September 2023 the Court ruled in favour of SPIB in relation to its services as Dirección Facultativa alleged to have been performed by Mr Soto. MESPA has been ordered to make payment of €141,000 and potentially other interest and costs to SPIB as a result of the ruling.

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 made further commitments to commence reporting against the Tin Code in 2023, subject to final negotiations with the International Tin Association (ITA) who manages the reporting. Whilst the company was informed that the ITA board approved mine developers to report against the Tin Code in November 2022, the company did not receive the terms and conditions to do so until Q2-2023, the company has subsequently decided to delay its reporting for at least one more year.

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 Director
Corey Nolan	Director - Non-executive
Calvin Treacy	Director - Non-executive
Brett Smith	Director – Non-executive (resigned 26 May 2023)
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 MD and CFO included delivering of the Oropesa DFS, Oropesa approvals 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.

Non-Executive Director fees as at 30 June 2023 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 Mr Treacy received \$11,375 of additional fees in relation to work undertaken on the Oropesa Tin Project.

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 \$100,000 (inclusive of superannuation) for the 2023 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 \$121,095 per annum (inclusive of superannuation);
- Short term incentive of up to \$50,000 (inclusive of superannuation) for the 2023 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 2023 was as follows:

Year Ended 30 June 2023

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	55,000	-	(16,447)	-	-	38,553	(42.7%)	(42.7%)
J. David	285,931	45,000	-	240,372	27,450	598,753	47.7%	40.1%
C. Nolan	49,774	-	(16,447)	-	5,226	38,553	(42.7%)	(42.7%)
C. Treacy	81,371	-	(16,447)	-	-	64,924	(25.3%)	(25.3%)
B. Smith ⁽²⁾	45,626	-	(16,447)	-	4,791	33,970	(48.4%)	(48.4%)
D. Speedy	114,225	11,312	-	120,186	12,695	258,418	50.9%	46.5%
	631,927	56,312	(65,788)	360,558	50,162	1,033,171		

(1) The Company agreed on 31 May 2022 to issue 360,000 share options to each Non-Executive Director subject to shareholder approval at the 2022 Annual General Meeting. The negative equity settled option amount for the current financial period is a result of the reduced value of the options at grant date following shareholder approval compared to the valuation performed at 30 June 2022 as a result of the agreement to issue the options.

(2) Resigned as Non-Executive Director on 26 May 2023 and ceased to be a KMP.

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.

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	
	2023	2022	2023	2022	2023	2022
A. Greig	142.7%	10.8%	-	-	(42.7%)	89.2%
J. David	52.3%	52.3%	7.5%	7.9%	40.1%	39.8%
C. Nolan	142.7%	52.2%	-	-	(42.7%)	47.8%
C. Treacy	125.3%	53.0%	-	-	(25.3%)	47.0%
B. Smith ⁽¹⁾	148.4%	52.2%	-	-	(48.4%)	47.8%
D. Speedy	49.1%	48.4%	4.4%	8.4%	46.5%	43.2%

(1) Mr Smith resigned and ceased being a KMP on 26 May 2023.

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	
	2023	2022	2023	2022
J. David	37.5%	100%	62.5%	-
D. Speedy	25%	100%	75%	-

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 agreed to issue 360,000 share options to each Non-Executive Director on 31-May-2022 subject to shareholder approval. Shareholder approval was received at the 2022 Annual General Meeting and the share options were issued on 16 November 2022.

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 2023	Value of options granted during the year
A. Greig	360,000	16-Nov-2022	Upon issue	31-May-2025	\$1.10	\$0.0592	\$21,312
B. Smith	360,000	16-Nov-2022	Upon issue	31-May-2025	\$1.10	\$0.0592	\$21,312
C. Nolan	360,000	16-Nov-2022	Upon issue	31-May-2025	\$1.10	\$0.0592	\$21,312
C. Treacy	360,000	16-Nov-2022	Upon issue	31-May-2025	\$1.10	\$0.0592	\$21,312

(1) During the year ended 30 June 2022 the Company agreed to issue 1,440,000 options to the Company's Non-Executive Director's, subject to shareholder approval at the 2022 Annual General Meeting. The amount recognised for the 30 June 2022 period in relation to share based payments amounted to \$0.1049 per option (total value per Director \$37,758). Following shareholder approval, the Company issued the 1,440,000 options at which time the Company revalued the options and a subsequent reduction to the share-based payment of \$0.0457 per option (total value reduction per Director of 16,446) was recognised based on the reduced valuation of the options at the point of issue.

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 expensed 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	\$171,883	8-Jul-2021	Completion of Oropesa DFS and retention to 1-08-22	24-Jul-2024 ⁽¹⁾	Nil	\$0.43
	D. Speedy	400,000	\$85,941					
3	J. David	200,000	Nil	8-Jul-2021	Granting of Oropesa Exploitation License and retention to 1-08-22	31-Jul-2024 ⁽²⁾	Nil	\$0.43
	D. Speedy	100,000	Nil					
4	J. David	400,000	\$68,487	8-Jul-2021	Oropesa project funding package and retention to 1-07-23	31-Jan-2025 ⁽³⁾	Nil	\$0.43
	D. Speedy	200,000	\$34,243					
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-2025 ⁽³⁾	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					

(1) During the current financial period the Company extended the Expiry date from 31 July 2023 to 24 July 2024.

(2) During the current financial period the Company extended the Expiry date from 31 July 2023 to 31 July 2024.

(3) During the current financial period the Company extended the Expiry date from 31 January 2024 to 31 January 2025.

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 2019 (historical comparative prices have been adjusted to reflect the 25:1 consolidation undertaken in December 2021).

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Share Price at year end (\$)	0.165	0.405	0.425	0.125	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 2023 were as follows:

Key Management Personnel	Balance at 1 July 2022	Granted as Compensation	Received on Exercise of Options / Rights	Net change other	Balance at 30 June 2023
A. Greig	20,299,459	-	-	5,143,442	25,442,901
J. David	50,000	-	-	223,631	273,631
C. Nolan	231,363	-	18,182	-	249,545
C. Treacy	1,315,455	-	48,485	184,167	1,548,107
B. Smith	161,635	-	-	(161,635) ⁽¹⁾	-
D. Speedy	120,000	-	-	69,444	189,444
	22,177,912	-	66,667	5,459,049	27,703,628

(1) Mr Smith resigned and ceased being a KMP on 26 May 2023, 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.

Key Management Personnel	Balance at 1 July 2022	Granted as compensation	Other	Expired	Exercised	Balance at 30 June 2023	Total vested and exercisable at 30 June 2023
A. Greig	360,000	-	-	-	-	360,000	360,000
J. David	-	-	-	-	-	-	-
C. Nolan	378,182	-	-	-	(18,182)	360,000	360,000
C. Treacy	408,485	-	-	-	(48,485)	360,000	360,000
B. Smith	360,000	-	(360,000) ⁽¹⁾	-	-	-	-
D. Speedy	-	-	-	-	-	-	-
	1,506,667	-	(360,000)	-	(66,667)	1,080,000	1,080,000

(1) Mr Smith resigned and ceased being a KMP on 26 May 2023, balance held at resignation.

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.

Key Management Personnel	Balance at 1 July 2022	Granted as compensation	Exercised	Expired	Balance at 30 June 2023	Total vested and exercisable at 30 June 2023
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

There were no other transactions with Key Management Personnel during the financial year.

*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 following share options are currently on issue at the date of this report:

Grant Date/s	Expiry Date	Exercise Price	No. of options	No. of options agreed to be issued ⁽¹⁾
16 November 2022	31-May-2025	\$1.10	1,440,000	-
8 September 2023	30-Jun-2026	\$0.25	700,000	2,500,000
8 September 2023	30-Jun-2026	\$0.30	700,000	2,500,000
8 September 2023	30-Jun-2026	\$0.35	700,000	2,500,000

(1) The Company has agreed to issue 6,000,000 share options to Mr David and 1,500,000 share options to Mr Treacy subject to shareholder approval at the 2023 Annual General Meeting.

The following ordinary shares were issued during and since the year ended 30 June 2023 on the exercise of options.

Grant Date/s	Exercise Price	No. of shares issued
14 August 2020	\$0.225	1,000,011

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	24 July 2024	Nil	1,200,000
8 July 2021	31 July 2024	Nil	300,000
8 July 2021	31 January 2024	Nil	600,000
8 July 2021	31 January 2025	Nil	900,000
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		ESG Committee	
	Meetings	Attended	Meetings	Attended	Meetings	Attended
A. Greig	8	6	n/a	n/a	n/a	n/a
J. David	8	8	n/a	n/a	2	2
C. Nolan	8	8	2	2	n/a	n/a
C. Treacy	8	7	2	2	2	2
B. Smith	7	7	2	1	n/a	n/a

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 (2022: 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.

Business Risks

The Company is currently developing two mineral projects, which are currently licensed for exploration, into approved mines which still require approvals, feasibility studies, finance, offtake, construction development and commissioning into operations, these activities carry inherent risks. Factors specific to the company or those which impact the market more broadly, may individually or in combination, impact the financial and operating performance of the Company. These events may be beyond the control of the Board and management of the Company.

The material risks for the company are outlined below. This summary is not an exhaustive list of all the risks that may affect the Company and its projects, nor have they been listed in any particular order of materiality.

- **Exploration of in-situ minerals**- the success of the Company depends on the discovery and quantification of mineralisation, positive assessment that those resources are economically mineable, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and licenses and obtaining all consents and approvals necessary for the conduct of its exploration and development activities. The Company undertakes extensive exploration and laboratory tests prior to establishing JORC compliant resource estimates, with industry accepted QA/QC protocols. The Company engages external experts to assist with the evaluation of exploration results where required and utilises third party competent persons to prepare JORC resource statements or suitably qualified senior management of the Company.
- **Technical/Feasibility Studies**-The company conducts technical studies, feasibility modelling and economic reporting of its projects in conjunction with third party experts who, where required, provide Competent Person sign-off under the JORC Code and listing rules. The economic studies (Scoping Studies, Pre-Feasibility Studies & Definitive Feasibility Studies) are published as per the regulations and clearly states the risks and confidence levels associated with inputs, the confidence levels associated with capital and operating costs as well as any other material statements and the risks that remain. The Company engages external experts to assist with the development and compilation of studies and utilises third party competent persons to prepare JORC resource statements or suitably qualified senior management of the Company.
- **Regulatory Approval Risk**- the Company's operations are subject to various National, State/Regional(Spain), Provincial(Spain) and local laws (including Royal Decrees in Spain), as well as other Regulations, Standards, Guidelines and Plans, including those relating to exploration/investigation(Spain), mining/exploitation(Spain), development & construction permits and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government body officials. No assurance can be given that the Company will be successful in acquiring and maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are

required and not retained or obtained in a timely manner or at all, the Company may be curtailed or prohibited from continuing or proceeding with exploration, development or production. The Company's business and results of operations could be adversely affected if applications lodged for exploration, environmental and mining/exploitation(Spain) licences are not granted. Mining/Exploitation(Spain) and exploration/investigation(Spain) tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister and/or Department. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. The Company diligently lodges tenement annual reports and renewals and liaises closely with applicable government departments to best manage its regulatory compliance.

- **Environmental-** all phases of mining and exploration present environmental risks and hazards. The Company's operations are subject to environmental regulations pursuant to a variety of national, state/regional(Spain), Provincial(Spain) and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with exploration and mining operations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in both Australian and Spain in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The Company assesses each of its projects very carefully with respect to potential environmental issues, in conjunction with specific environmental regulations applicable to each project, prior to commencing field exploration and in great details when submitting its Environmental applications to support mining operations.
- **Safety-** safety is of critical importance in the planning, organisation and execution of the Company's exploration, development and planned mining activities. The Company is committed to providing and maintaining a working environment in which its employees are not exposed to hazards that will jeopardise an employee's health, safety or the health and safety of others associated with the Company. The Company recognises that safety is both an individual and shared responsibility of all employees, contractors and other persons involved with the operation of the organisation. The Company has a Safety and Health Management system which is designed to minimise the risk of an uncontrolled safety and health event and to continuously improve the safety culture within the organisation. In addition, all contractors and consultants are inducted to site when they are performing activities deemed a risk to themselves or others. This is supported by a culture which supports all personnel feeling they are free to report incidents or risks without worrying about persecution.
- **Funding-** the Company will require additional funding to continue the exploration, development and construction of its projects before they become cashflow positive. There is no certainty that the Company will have access to available financial resources sufficient to fund its exploration, feasibility or development costs at the required points in time. Discussions with ongoing development sources of funds, and key project finance funders have confirmed that a project of these scales should be able to be funded with a combination of Debt (various types) and Equity. The company remains confident that the development capital costs are sufficiently low that raising the required equity, in conjunction with debt facilities, will be possible. The company continues to have the full support of its existing largest shareholders and is working with potential offtake partners, brokers, senior debt providers, private equity firms, government grants and traditional funders to best ensure that the Company will be in a position to fund the projects as needed. It is also possible that Elementos could pursue other value realisation strategies such as a sale, partial sale or joint venture of the projects if the opportunity presents itself.
- **Macro-economic/External Risks-** Fluctuations in commodity prices foreign currency exchange rates have the ability to significantly affect the financial outcomes and profitability of both studies and operating mines. There can be no assurance that commodity prices will be significantly supportive so the Company can develop and mine its deposits at a profit. Commodity prices fluctuate due to a variety of factors including supply and demand fundamentals, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns and speculative activities. Similarly, demand and supply of capital and currencies, forward trading activities, relative interest rates and exchange rates and relative economic conditions can impact exchange rates.

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.

A handwritten signature in black ink, appearing to read 'Joe David', written in a cursive style.

Joe David
Managing Director

Dated 25 September 2023
Brisbane, Queensland

Auditor's Independence Declaration



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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 2023, 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 handwritten signature in black ink, appearing to read 'A J Whyte', with a stylized flourish at the end.

A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 25 September 2023

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 19 September 2023.

(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	388	147,318
1,001 - 5,000	606	1,656,443
5,001 - 10,000	250	1,910,845
10,001 - 100,000	581	20,294,555
100,001 and over	203	170,730,924
Total	2,028	194,740,085

	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

	Options	
	No. Holders	No. Rights
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 and over	6	3,540,000
Total	6	3,540,000

The number of shareholders holding less than a marketable parcel is 844.

(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	MR ANDREW CARLYLE GREIG	26,442,901	13.58%
2	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	14,454,802	7.42%
3	MCCUSKER HOLDINGS PTY LTD	10,205,965	5.24%
4	TR NOMINEES PTY LTD	8,247,273	4.24%
5	GOM PROPERTIES PTY LTD <DMF FAMILY A/C>	6,009,145	3.09%
6	CITICORP NOMINEES PTY LIMITED	4,487,075	2.30%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,328,331	2.22%
8	KEO PROJECTS PTY LTD <SUPERANNUATION FUND A/C>	4,030,000	2.07%
9	BINVID PTY TLD <B&D SUPER FUND A/C>	3,856,371	1.98%
10	BNP PARIBAS NOMS PTY LTD <DRP>	3,678,398	1.89%
11	DRAWONE PTY LTD < THE NEWTOWN INVESTMENT A/C>	2,919,000	1.50%
12	MR JAMES CALAWAY*	2,400,833	1.23%
13	MR CARLO CHIODO	2,382,635	1.22%
14	MR SAMUEL MCCARDEL <K L MCCARDEL A/C>	2,300,912	1.18%
15	WOODY POINT HOLIDAY VILLAGE PTY LTD	2,100,000	1.08%
16	MR JOSEPH IGNATIUS D'SOUZA	2,078,000	1.07%
17	SANGWILL PTY LTD <MCVAY FAMILY S/F A/C>	1,977,237	1.02%
18	TUWHERA TE RANGI LTD	1,905,000	0.98%
19	ZCR CORPORATION	1,896,636	0.97%
20	MR CRAIG RONALD TINDALE & MRS GABRIELLE TINDALE	1,800,000	0.92%
	Top 20 Total	107,500,514	55.20%
	Total of Securities	194,740,085	

* Merged holding

(c) Substantial Shareholders

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

Name of Shareholder	Ordinary Shares	% of total Shares
MR ANDREW CARLYLE GREIG	26,442,901	13.58%
SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	14,454,802	7.42%
MCCUSKER HOLDINGS PTY LTD	10,205,965	5.24%

(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 and/or Managing Director;
- 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 the cash position of the company and providing oversight on the timing and quantum of capital raises;
- 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 2023, the proportion of women in the whole organisation is as follows:

	Male	Female
Board Members	4	-
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.

An informal performance evaluation of the CEO has been undertaken.

No formal performance evaluation of the non-executive directors was undertaken during the year ended 30 June 2023.

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, the directors listed below are not considered independent. As the Chairman of the Company is not considered independent, the Group does not comply with Recommendation 2.5. Corey Nolan and Calvin Treacy are considered independent. Brett Smith, who resigned on 26 May 2023, was also considered independent. For the majority of the reporting period, until Mr Smith’s resignation on 26 May 2023, the Group complied with Recommendation 2.4, by having a majority of independent directors. Despite not complying with Recommendation 2.5 and now not complying with Recommendation 2.4, the Board believes the current structure is appropriate given the size and scale of operations.

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 below 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	7 years, 11 months
J. David	1 year, 8 months
C. Nolan	14 years 2 months
C. Treacy	9 years 11 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 during the financial year were Corey Nolan, Calvin Treacy and Brett Smith (resigned 26 May 2023) all of whom are considered non-executive and independent directors. The Committee is chaired by an independent director (Corey Nolan). The Company complied with Recommendation 4.1 until Mr Smith's resignation on 26 May 2023, following which it did not comply fully with the recommendation due to the committee only consisting of 2 members. The Board believes the current structure is appropriate given the size and scale of operations.

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	2	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 Managing Director and Chief Financial Officer have 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 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 during the financial year are Corey Nolan, Calvin Treacy and Brett Smith (resigned 26 May 2023) all of whom are considered independent directors. The Committee is chaired by an independent director (Corey Nolan). The Company complied with Recommendation 7.1 until Mr Smith's resignation on 26 May 2023, following which it did not comply fully with the recommendation due to the committee only consisting of 2 members. The Board believes the current structure is appropriate given the size and scale of operations.

All members of the Audit & Risk Management Committee are considered to have sufficient technical, legal and industry experience in the context of the Company's affairs to properly assess the risks facing the Group.

The 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	2	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. The Board will seek shareholder approval at the 2023 Annual General Meeting to increase the maximum aggregate amount of fees that can be paid to non-executive directors to \$400,000. The Board considers that this increase is necessary to provide future flexibility to consider increases to the remuneration payable to the non-executive directors, including appointing additional non-executive directors who might join the Board, to reflect the appropriate level of remuneration required to attract and retain directors with the necessary skills and experience for the Board. 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 limiting 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 2023**

	Note	30 June 2023 \$	30 June 2022 \$
Interest income		38,702	1,163
Gain on settlement of borrowings		-	154,905
Other income		50,000	-
Corporate and administrative expenses	2	(2,308,429)	(2,346,817)
Foreign Currency Gain / (Loss)		(5,580)	(39,888)
Loss before income tax expense		(2,225,307)	(2,230,637)
Income tax expense	3	-	-
Loss for the period attributable to members of the parent entity		(2,225,307)	(2,230,637)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange gain / (losses) on translation of foreign operations		744,148	(291,813)
Other comprehensive income for the period, net of tax		744,148	(291,813)
Total comprehensive loss attributable to members of the parent entity		(1,481,159)	(2,522,450)
Basic and diluted loss per share	11	(0.012)	(0.014)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2023

	Note	30 June 2023	30 June 2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	3,449,654	6,270,173
Trade and other receivables	5	287,333	563,624
Other current assets		9,362	27,685
Total Current Assets		3,746,349	6,861,482
NON-CURRENT ASSETS			
Exploration and evaluation assets	6	19,007,033	13,901,380
Property, plant and equipment		57,754	2,616
Right of use assets		6,686	47,376
Other non-current assets		144,950	74,199
Total Non-Current Assets		19,216,423	14,025,571
TOTAL ASSETS		22,962,772	20,887,053
CURRENT LIABILITIES			
Trade and other payables	7	1,041,831	808,997
Lease liability		7,063	51,118
Total Current Liabilities		1,048,894	860,115
NON-CURRENT LIABILITIES			
Lease liability		-	7,092
Total Non-Current Liabilities		-	7,092
TOTAL LIABILITIES		1,048,894	867,207
NET ASSETS		21,913,878	20,019,846
EQUITY			
Contributed equity	8	39,262,318	36,165,450
Reserves	9	1,350,675	328,204
Accumulated losses		(18,699,115)	(16,473,808)
TOTAL EQUITY		21,913,878	20,019,846

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2023

	Note	Contributed Equity	Accumulated Losses	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 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	8	660,000	-	-	-	660,000
Exercise of options	8	6,244,701	-	-	-	6,244,701
Transaction costs	8	(49,170)	-	-	-	(49,170)
Conversion of loan to equity	8	569,246	-	-	-	569,246
Issue of options and performance rights	15	-	-	541,449	-	541,449
Balance at 30 June 2022		36,165,450	(16,473,808)	831,735	(503,531)	20,019,846
Balance at 1 July 2022		36,165,450	(16,473,808)	831,735	(503,531)	20,019,846
Loss for the period		-	(2,225,307)	-	-	(2,225,307)
Other comprehensive loss		-	-	-	744,148	744,148
Total comprehensive income		-	(2,225,307)	-	744,148	(1,481,159)
Issue of shares	8	2,990,000	-	-	-	2,990,000
Exercise of options	8	225,002	-	-	-	225,002
Transaction costs	8	(118,134)	-	-	-	(118,134)
Issue of options and performance rights	15	-	-	278,323	-	278,323
Balance at 30 June 2023		39,262,318	(18,699,115)	1,110,058	240,617	21,913,878

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	30 June 2023	30 June 2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		38,702	1,163
Payments to suppliers and employees		(1,948,004)	(1,710,130)
Interest Paid		(6,310)	(99,225)
VAT refunds		801,490	-
Other receipts		50,000	-
Net cash used in operating activities	10	(1,064,122)	(1,808,192)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(4,745,219)	(3,629,814)
Payments for property, plant and equipment		(57,015)	(2,114)
Net cash used in investing activities		(4,802,234)	(3,631,928)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	8	3,215,002	6,904,701
Costs associated with share issues	8	(118,134)	(49,170)
Repayment of loan	10	-	(648,569)
Lease payments	10	(51,147)	(38,117)
Net cash provided by financing activities		3,045,721	6,168,845
Net increase/(decrease) in cash held		(2,820,635)	728,725
Net foreign exchange difference		116	(804)
Cash at Beginning of Year		6,270,173	5,542,252
Cash at End of Year	4	3,449,654	6,270,173

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

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 25 September 2023 by the directors of the Company.

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

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

Going Concern

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

The Group has not generated any revenues from operations. As at 30 June 2023 the Group had cash reserves of \$3,449,654, net current assets of \$2,697,455 and net assets of \$21,913,878. The Group incurred a net loss of \$1,481,159 for the year ended 30 June 2023 and had an outflow of \$1,064,122 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 2023, 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 19. All subsidiaries are accounted for by the parent entity at cost.

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

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

Segment Reporting

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

Income Tax

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

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

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

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

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

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

Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not 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 2023 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 2023 were \$19,007,033 (2022: \$13,901,380). Based on a review performed as at 30 June 2023, 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 2023 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 2023	30 June 2022
	\$	\$
Included in expenses are the following items:		
Depreciation	51,319	44,555
ASX, ASIC, share registry expenses	99,734	114,770
Business development and investor relations costs	141,951	158,204
Legal fees	35,522	44,758
Insurances	47,797	31,981
Audit, tax and external accounting fees	103,292	143,257
Interest on loans	3,690	6,349
Employee benefits expense comprises:		
Salaries and wages	854,865	856,842
Consulting fees	349,734	136,957
Superannuation	84,389	84,609
Share based payment expense	278,323	541,449
Annual leave expensed	35,936	42,858

NOTE 3: INCOMETAX EXPENSE

	30 June 2023	30 June 2022
	\$	\$
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% (2022: 25%)	(556,327)	(557,659)
Adjust for tax effect of:		
Non-deductible amounts	97,050	100,228
Tax loss not recognised (current year and true up)	458,786	458,071
Temporary differences recognised	-	-
Under/Over	491	(640)
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	5,347,629	4,904,118

The Group has carried forward tax losses of \$27,076,087 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 or Similar Business Test, in order for them to be available in future years.

NOTE 4: CASH AND CASH EQUIVALENTS

	30 June 2023	30 June 2022
	\$	\$
Cash at bank and on hand	3,404,931	6,225,623
Short term deposits	44,723	44,550
	<u>3,449,654</u>	<u>6,270,173</u>

NOTE 5: TRADE AND OTHER RECEIVABLES

	30 June 2023	30 June 2022
	\$	\$
GST & VAT receivable	287,333	563,624
	<u>287,333</u>	<u>563,624</u>

As at year end, there were no material receivable balances that were past due and not impaired. All receivables as at 30 June 2023 were due within 60 days (2022: 60 days). The carrying value of trade receivables is considered a reasonable approximation of fair value.

NOTE 6: EXPLORATION AND EVALUATION ASSETS

	30 June 2023	30 June 2022
	\$	\$
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	19,007,033	13,901,380
Movement in exploration and evaluation assets:		
Opening balance - at cost	13,901,380	11,390,716
Capitalised exploration expenditure	4,315,361	2,646,427
Foreign exchange differences	790,292	(135,763)
Carrying amount at the end of the year	<u>19,007,033</u>	<u>13,901,380</u>

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

NOTE 7: TRADE AND OTHER PAYABLES

	30 June 2023	30 June 2022
	\$	\$
Current:		
Trade payables and accrued expenses	933,361	736,463
Short term employee benefits	108,470	72,534
Total payables (unsecured)	1,041,831	808,997

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

NOTE 8: CONTRIBUTED EQUITY**Fully paid ordinary shares**

		2023		2022	
		No. of Shares	\$	No. of Shares	\$
Balance as at 1 July		177,128,963	36,165,450	3,861,238,867	28,740,673
Share issues:					
Issue of shares	(a)	1,000,011	225,002	-	-
Issue of shares	(b)	16,611,111	2,990,000	-	-
Issue of shares	(c)	-	-	66,000,000	660,000
Issue of shares	(c)	-	-	56,924,600	569,246
Issue of shares	(d)	-	-	8,691,465	78,223
Issue of shares	(d)	-	-	69,212,300	1,038,185
Issue of shares	(e)	-	-	(3,899,584,015)	-
Issue of shares	(f)	-	-	2,425,746	545,793
Issue of shares	(f)	-	-	12,220,000	4,582,500
Balance as at 30 June		194,740,085	39,380,452	177,128,963	36,214,620
Total transaction costs associated with share issues			(118,134)		(49,170)
Net issued capital			39,262,318		36,165,450

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 2023, are:

- (a) From 1 July 2022 to 31 August 2022 the following share options were 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).

(b) On 5 April 2023, the Company announced that it had received commitments to complete a private placement of 16,611,111 shares to be issued at \$0.18 per share. The transaction completed in two tranches as follows:

- On 13 April 2023 11,444,444 shares were issued at \$0.18 per share raising \$2,060,000.
- On 5 June 2023, following shareholder approval, 5,166,667 shares were issued at \$0.18 per share raising \$930,000.

Notes for the above table, relating to the year ended 30 June 2022, are:

- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.

Other Options

	Note	Weighted average exercise price (cents)	30 June 2023 No. of Options	Weighted average exercise price (cents)	30 June 2022 No. of Options
Unlisted Share Options		-	-	22.5	4,912,265
Balance at the beginning of the reporting period		22.5	4,912,265	1.25	506,390,657
Options issued during the period:					
- Placement attaching options		-	-	1.50	61,462,300
Options exercised during the period:					
- Prior to consolidation		-	-	1.43	(77,903,765)
- Following the consolidation		22.5	(1,000,011)	35.02	(14,645,746)
Consolidation ^(a)		-	-	-	(470,351,181)
Expired		22.5	(3,912,254)	37.5	(40,000)
Exercisable at end of year		-	-	22.5	4,912,265

- (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 nil (2022: 62 days).

Director Options

	Note	Weighted average exercise price \$	30 June 2023 No. of Options	Weighted average exercise price \$	30 June 2022 No. of Options
Unlisted Share Options		1.10	1,800,000	1.10	1,800,000
Balance at the beginning of the reporting period		1.10	1,800,000	-	-
Options issued during the period ^(a)	15	-	-	1.10	1,800,000
Options exercised during the period		-	-	-	-
Expired		-	-	-	-
Balance at end of year		1.10	1,800,000	1.10	1,800,000
Exercisable at end of year		1.10	1,800,000	-	-

(a) The 1,800,000 options to the Directors and Company Secretary were agreed to be issued on 31 May 2022 subject to shareholder approval at the 2022 Annual General Meeting. Approval was received at the Annual General Meeting and the options were issued on 15 November 2022.

The weighted average remaining contractual life of the options was 1.9 years (2022: 2.9 years).

Performance Rights

During the previous 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 \$360,557 was recorded during the period (2022: 352,655) see Note 15 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 the exploration stage. There are no externally imposed capital requirements.

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

NOTE 9: RESERVES**Foreign Currency Translation Reserve**

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

Share-Based Payments Reserve

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

NOTE 10: CASH FLOW INFORMATION

	30 June 2023	30 June 2022
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax:		
Loss after income tax	(2,225,307)	(2,230,637)
Non-cash flows in loss from ordinary activities:		
Depreciation	51,319	44,555
Equity settled compensation	278,323	541,449
Unrealised Foreign exchange	5,580	39,084
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	819,813	(27,685)
(Decrease)/Increase in payables	6,150	(174,958)
Cash flows from operations	(1,064,122)	(1,808,192)

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

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

	2022	Cash flows	Principal converted to equity	Loan balance offset / discounted	Non-cash adjustments	2023
Lease liability	58,210	(51,147)	-	-	-	7,063
	58,210	(51,147)	-	-	-	7,063

	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

NOTE 11: LOSS PER SHARE

	30 June 2023	30 June 2022
	\$	\$
Net loss used in the calculation of basic and diluted EPS	(2,225,307)	(2,230,637)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	180,796,145	164,987,703

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.

NOTE 12: COMMITMENTS**(a) Exploration Commitments**

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

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

	30 June 2023	30 June 2022
	\$	\$
Not later than 1 year	602,000	382,500
Total commitment	602,000	382,500

NOTE 13: CONTINGENT LIABILITIES

The Company's wholly owned subsidiary, Minas de Estano De Espana (MESPA) is currently involved in legal proceedings in Spain. While the referenced case is not considered material, and does not affect the Company's title to the Oropesa Project, the Company has appointed legal counsel who are monitoring the progress of the case through the Spanish courts and will prepare to defend the case when required. MESPA is defending the claim regarding the alleged 2018 appointment and subsequent dismissal of Mr Jose Cereijo Soto as MESPA's Con.Delegado (CEO) and an alleged €300,000 payment he claims he was entitled to. The pre-trial hearing in relation to the claim has been set for March 2024.

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

NOTE 14: RELATED PARTY TRANSACTIONS**Parent Entity**

Elementos Limited is the legal parent and ultimate parent entity of the Group, owning 100% of all subsidiaries at 30 June 2023.

Subsidiaries

Interest in subsidiaries are disclosed in Note 19.

Key Management Personnel

	30 June 2023	30 June 2022
	\$	\$
Short-term employee benefits	688,239	575,663
Post-employment benefits	50,162	50,208
Share-based payments	294,770	503,691
	1,033,171	1,129,562

NOTE 15: 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 30 June 2022 period under the share-based payment reserve in relation to share based payments amounted to \$188,794. Following shareholder approval the Company issued the 1,800,000 options at which time the Company revalued the options and a subsequent reduction to the share-based payment reserve of \$82,234 was recognised based on the reduced valuation of the options at the point of issue.

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
Agreed to be issued	31-May-2022
Grant/valuation date	15-November-2022
Share price at valuation date	\$0.30
Exercise price	\$1.10
Expected volatility	75%
Risk-free interest rate	2.81%
Expected life	3 years
Model used	Black Scholes
Value per option	\$0.0592

Outstanding Options

The outstanding balance of options is represented below:

Grant Date/s	Expiry Date	Exercise Price	Share options 30 June 2023	Share options 30 June 2022
2 December 2020	31 August 2022	\$0.225 ^(a)	-	1,600,000 ^(a)
31 May 2022 ^(b)	31 May 2025	\$1.10	1,800,000	1,800,000
The weighted average remaining contractual life of the options outstanding at year end:			1.9 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 to the Directors and Company Secretary were agreed to be issued on 31 May 2022 subject to shareholder approval at the 2022 Annual General Meeting, which was received on 15 November 2022.

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 current period under the share-based payment reserve in relation to share based payments amounts to \$360,557 (2022: \$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	24-Jul-2024 ^(a)	Nil	\$0.43
3	300,000	8-Jul-2021	Granting of Oropesa Exploitation License and retention to 1-08-22	31-Jul-2024 ^(b)	Nil	\$0.43
4	600,000	8-Jul-2021	Oropesa project funding package and retention to 1-07-23	31-Jan-2025 ^(c)	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-2025 ^(c)	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

(a) During the current financial period the Company extended the Expiry date from 31 July 2023 to 24 July 2024.

(b) During the current financial period the Company extended the Expiry date from 31 July 2023 to 31 July 2024.

(c) During the current financial period the Company extended the Expiry date from 31 January 2024 to 31 January 2025.

Outstanding Rights

The outstanding balance of rights is represented below:

Grant Date/s	Expiry Date	Exercise Price	Rights 30 June 2023	Rights 30 June 2022
8 July 2021	24 July 2024 ^(a)	Nil	1,200,000	-
8 July 2021	31 July 2024 ^(b)	Nil	300,000	1,500,000
8 July 2021	31 January 2024	Nil	600,000	1,500,000
8 July 2021	31 January 2025 ^(c)	Nil	900,000	-
8 July 2021	31 January 2026	Nil	300,000	300,000

(a) During the current financial period the Company extended the Expiry date from 31 July 2023 to 24 July 2024.

(b) During the current financial period the Company extended the Expiry date from 31 July 2023 to 31 July 2024.

(c) During the current financial period the Company extended the Expiry date from 31 January 2024 to 31 January 2025.

None of the rights on issue at 30 June 2023 are vested and exercisable. The weighted average remaining contractual life of the rights outstanding at year end is 1.18 years.

NOTE 16: AUDITOR'S REMUNERATION

Remuneration for the auditor of the parent entity:

	30 June 2023 \$	30 June 2022 \$
BDO Audit Pty Ltd and its related entities:		
Auditing or reviewing the financial reports	59,158	54,676
	59,158	54,676

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

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

Treasury Risk Management

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

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

Financial Risks

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

Interest Rate Risk

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

The Company has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant, is immaterial (2022: 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 creditworthiness taking into account their size, market position and financial standing.

At 30 June 2023, there was no concentration of credit risk, other than bank balances and on geographical basis with most financial assets in Australia (2022: nil).

(b) Financial Instrument Composition and Contractual Maturity Analysis

	30 June 2023	30 June 2022
	\$	\$
Financial assets:		
Within 6 months:		
cash & cash equivalents	3,449,654	6,270,173
receivables (i)	287,333	563,624
	3,736,987	6,833,797
Financial liabilities:		
Within 6 months:		
payables (i)	(1,041,831)	(808,997)
Within 12 months:		
Lease liabilities	(7,117)	(52,521)
Greater than 12 months:		
Lease liabilities	-	(7,117)
	(1,048,948)	(868,635)

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

(c) Fair Values

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

NOTE 18: SEGMENT REPORTING

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

Accordingly, management currently identifies the Group as having two reportable segments, being Australia and Spain.

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.

2023

	Australia \$	Spain \$	Intercompany eliminations \$	Total \$
Current assets	14,301,676	399,715	(10,955,042)	3,746,349
Non-current assets	6,348,392	12,868,031	-	19,216,423
Total assets	20,650,068	13,267,746	(10,955,042)	22,962,772
Current liabilities	422,034	11,581,902	(10,955,042)	1,048,894
Non-current liabilities	-	-	-	-
Total liabilities	422,034	11,581,902	(10,955,042)	1,048,894
Contributed equity	36,262,318	3,000,000	-	39,262,318
Reserves	1,110,058	240,617	-	1,350,675
Accumulated losses	(17,144,342)	(1,554,773)	-	(18,699,115)
Total equity	20,228,034	1,685,844	-	21,913,878
Loss for the period	(1,958,134)	(267,173)	-	(2,225,307)
Other comprehensive income for the period	-	744,148	-	744,148
Total comprehensive income for the period	(1,958,134)	476,975	-	(1,481,159)

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)

NOTE 19: SUBSIDIARIES

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

	Country of incorporation	Ownership interest	
		2023	2022
Rockwell Minerals Pty Ltd	Australia	100%	100%
Rockwell Minerals (Tasmania) Pty Ltd	Australia	100%	100%
Elementos Minerales S.A.	Argentina	100%	100%
Elementos Chile Limitada	Chile	100%	100%
Elementos Spain Pty Ltd	Australia	100%	100%
Minas de Estano de Espana, S.L.U	Spain	100%	100%

NOTE 20: EVENTS AFTER REPORTING PERIOD

- Subsequent to the reporting period the following occurred:
 - On 28 August 2023, the Company cancelled 360,000 options with an exercise price of \$1.10 and expiry of 31 May 2025.
 - On 8 September 2023, the Company agreed to issue 9,600,000 options in three equal tranches with the following exercise prices: tranche 1: \$0.25, tranche 2: \$0.30 and tranche 3: \$0.35, each tranche has an expiry date of 30 June 2026 and vest immediately upon grant. A total of 2,100,000 options were issued on 8 September with the remainder to be issued subject to shareholder approval at the 2023 Annual General Meeting planned for late November 2023.
 - As previously disclosed, the Company's wholly owned subsidiary, Minas de Estano De Espana (MESPA) has been involved in legal proceedings with Sondeos & Perforaciones Industriales Del Bierzo, SA (SPIB) and its principal Mr. José Cereijo Soto. During September 2023 the Court ruled in favour of SPIB in relation to its services as Dirección Facultativa alleged to have been performed by Mr Soto. MESPA has been ordered to make payment of €141,000 and potentially other interest and costs to SPIB as a result of the ruling.

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 21: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Elementos Limited at 30 June 2023. This information has been prepared using consistent accounting policies as presented in Note 1.

	30 June 2023	30 June 2022
	\$	\$
Current assets	3,346,308	6,115,743
Non-current assets	18,999,029	14,267,738
Total assets	<u>22,345,337</u>	<u>20,383,481</u>
Current liabilities	431,459	356,543
Non-current liabilities	-	7,092
Total liabilities	<u>431,459</u>	<u>363,635</u>
Contributed equity	55,157,849	52,060,981
Reserves	1,110,058	831,735
Accumulated losses	(34,354,029)	(32,872,870)
Total equity	<u>21,913,878</u>	<u>20,019,846</u>
Loss for the period	(1,481,159)	(6,800,656)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>(1,481,159)</u>	<u>(6,800,656)</u>

The Company has no contingent liabilities, nor has it entered into any guarantees in relation to the debts of its subsidiaries (2022: nil).

The Company has not entered into any contractual commitments for the acquisition of property, plant and equipment (2022: nil).

NOTE 22: DIVIDENDS & FRANKING CREDITS

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

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 2023 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

25 September 2023
Brisbane, Queensland

INDEPENDENT AUDITOR'S REPORT

To the members of Elementos Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Elementos Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Material uncertainty related to going concern

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

Key audit matters

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

Carrying value of exploration and evaluation assets

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, 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 in pages 39 to 45 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Elementos Limited, for the year ended 30 June 2023, 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



A J Whyte

Director

Brisbane, 25 September 2023

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