ELEMENTOS
TOMORROW'S TIN

ASX ANNOUNCEMENT

29 March 2022

Optimisation Study materially increases scale and economics for Oropesa Tin Project

- Oropesa Tin Project Optimisation Study confirms robust 1.25Mtpa project, capable of producing 3,350 tonnes of contained tin per year
- On a base case tin price of US$32,500 per tonne, Oropesa's Optimisation Study has confirmed:
  - Pre-tax ungeared $NPV_{8\%}$ of approximately A$292m and post-tax $NPV_{8\%}$ of approximately A$198m[1].
  - Pre-tax Internal Rate of Return is approximately 46%
  - Mine life of at least 13 years, Payback period of ~ 2.5 years
- Oropesa's strong Study economics, are based on a conservative long term tin price assumption of US$32,500/t (24% less than current LME cash price[#], 40% less than current SHFE SN2204 contract[+])
- The Study underwrites a globally significant tin project, with a Production Target of 15.5Mt RoM Ore
- Elementos to use 1.25Mtpa project scale as the basis of an Oropesa Definitive Feasibility Study and for Spanish Environmental & Mining licence applications

Elementos Limited's (ASX:ELT) Optimisation Study (JORC defined Scoping Study) for its Oropesa Tin Project in Spain has confirmed a robust case for upgrading the project scale to 1.25Mtpa Run of Mine (ROM) rate, with average annual contained tin production projected at 3,350tpa.

Oropesa project economics are robust at a variety of tin price assumptions and discount rates as evidenced by the following table, with the Scoping Study tin price of US$32,500/t and the current cash tin price of US$42,650/t (LME[#]) US$54,000/t (SHFE[+]) highlighted for ease of comparison.

A$M[1] Project NPV - 100% basis, real, ungeared, pre-tax

		Tin Price US$/t								
			Study Basis			LME Spot[#]			SHFE Spot[+]	
		$30,000	$32,500	$35,000	$40,000	$42,650	$45,000	$50,000	$54,000	$55,000
Discount Rate	6%	A$256M	A$338M	A$420M	A$584M	A$671M	A$749M	A$913M	A$1,044M	A$1,077M
	8%	A$220M	A$292M	A$365M	A$509M	A$586M	A$654M	A$799M	A$915M	A$944M
	10%	A$188M	A$252M	A$317M	A$445M	A$513M	A$574M	A$702M	A$805M	A$831M

Inferred Resources make up 6% of 15.5Mtpa Production Target used for mine plan and economic evaluation.

Cautionary statement: There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

[1] Project modelled in USD, NPV converted to AUD using flat AUD:USD FX 1:0.75
[#] London Metals Exchange official cash tin price - 25 March 2022 lme.com/tin
[+] Shanghai Futures Exchange SN2204 Price - 25 March 2022 https://www.metal.com/price/Base%20Metals/Tin

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US$M Project NPV - 100% basis, real, ungeared, pre-tax

		Tin Price US$/t								
			Study Basis			LME Spot[#]			SHFE Spot[+]	
		$30,000	$32,500	$35,000	$40,000	$42,650	$45,000	$50,000	$54,000	$55,000
Discount Rate	6%	US$192M	US$254M	US$315M	US$438M	US$504M	US$561M	US$684M	US$783M	US$808M
	8%	US$165M	US$219M	US$273M	US$382M	US$440M	US$491M	US$599M	US$686M	US$708M
	10%	US$141M	US$189M	US$238M	US$334M	US$385M	US$430M	US$527M	US$604M	US$623M

Project Internal Rate of Return (IRR) -100% basis, real, ungeared, pre-tax

	Tin Price US$/t								
		Study Basis			LME Spot[#]			SHFE Spot[+]	
	$30,000	$32,500	$35,000	$40,000	$42,650	$45,000	$50,000	$54,000	$55,000
IRR	38%	46%	52%	65%	72%	77%	89%	98%	100%

The Optimisation Study confirms a Production Target[2] of 15.5Mt of RoM Ore at 0.37% Sn grade (including dilution) using a US$30,000/t mining pit shell revenue price and all operating costs re-estimated and updated to a 2022 cost base. This is summarized below, and detailed further in attached Scoping Study Report Table-5.

Production Target (Based on Total available Mineral Resource)	ROM Ore (Mt)	Grade (% Sn)	Contained Tin (kt)
Total	15.5	0.37%	56.8

The Study confirms the Production Target being mined at the following average annual scale operation[2]:

	Annual ore mined	Annual ore sorter feed	Annual Processing Plant feed	Annual Tin Concentrate (62%)	Annual Tin metal production	
Tonnage	1,250,000tpa	1,250,000tpa	1,000,000tpa	5,400tpa	3,350tpa	x 13 years Mining life

The Optimisation Study provides a significant increase from Elementos' previous 2020 Updated Economic Study (750ktpa operation, US$92M NPV$_{8,\ Pre\text{-}tax}$)[3]. The increase in project scale includes increases to mining, ore sorting, processing and supporting infrastructure and is designed to comply with the Spanish mining and environmental regulations, including back-fill and rehabilitation of the open-pit.

Elementos has redesigned the mine to comply with all known environmental and mining licence regulations and restrictions, with a focus on minimising disturbed areas and environmental impact. A major update to the prior Study is the design and costing of the back-fill and rehabilitation of the open pit, tailings dam, waste dumps and all project infrastructure. This Study is fully aligned with the regulatory requirements planned for submission in April 2022. These regulatory submissions include both the Environmental Impact Assessment and Exploitation Licence application (Mining Licence).

2 Average annual number (rounded)
3 May 2020 Updated Economic Study (ELT ASX Release – 7 May 2020)

Elementos will use the matured design and upgraded scale confirmed by the Optimisation Study as the basis for a Definitive Feasibility Study (DFS).

The Study also notes that using a pit-shell revenue price of US$45,000/t would likely add an extra two years of full production onto the mine life of the operation using available Mineral Resources, excluding any additional exploration potential.

At the base case tin revenue of US$32,500/tonne, the mine is forecast to generate an average annual gross revenue of US$108 million against a forecast operating cost of US$50 million per year and All-In-Sustaining-Cash (AISC) cost of US$18,607/tonne of metal[4]. The estimated capital development cost is US$86 million including a 20% contingency[6]. Readily executable, the development proposes a modern open-cut mining operation, which backfills the pit progressively, and a conventional tin processing facility producing tin metal in concentrate which would be shipped to smelters in Europe and Asia.

Elementos Managing Director Joe David said:

"The Optimisation Study confirms that Oropesa will deliver a low capital-intensive project, with a competitive operational cost base, producing significant quantities of tin concentrate for at least 13 years.

"The operational and financial metrics summarised in this Optimisation Study are extremely positive. It demonstrates Oropesa's potential to become a significant European tin operation, supplying material quantities of tin concentrate into the global supply chains during a period of unanticipated growth in demand to service the world's insatiable appetite for critical electrical components.

"This Optimisation Study is now the basis for the company's DFS and will be the basis of all the required regulatory submissions. The fact that the financial outcomes presented are incredibly strong when based on a design which we believe is conservative and complies with all required regulations has the company more motivated than ever.

"Following recent mineralisation intercepts outside the current Mineral Resource limits, the company anticipates that the presented Optimisation Study will prove to be the first phase of a larger mining operation, with the company planning further Oropesa exploration programs at the appropriate time."

Mr David said the Optimisation Study was presented at a level of accuracy of a JORC Scoping Study but several work streams in the Study have been completed to a more detailed standard of evaluation and definition.

"The Study, completed by a team of independent consultants, follows extensive drilling, geological, geotechnical, feasibility and metallurgical test work programs over more than 12 years," he said.

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

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4 See AISC summary and definitions in attached Scoping Study Report, Table-12
5 This forward-looking statement should be read in conjunction with the cautionary statement on page-4

ABOUT ELEMENTOS

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

CAUTIONARY STATEMENTS

The Optimisation Study (Study) referred to in this announcement has been undertaken for the purpose of assessing the technical and economic viability of developing the Oropesa Tin Project. The Study has been completed to an overall Scoping Study level of accuracy of +/- 35%. It should be noted that some the work streams in the Study have been undertaken to a more detailed standard of evaluation and definition.

The Study is preliminary in nature, it does include 6% of Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Indicated or Measured Mineral Resources or Ore Reserves, and there is no certainty that the Study outcomes will be realised during operations or further studies. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into an Ore Reserves estimate.

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

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

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Study. The Study is based on the Measured, Indicated and Inferred Mineral Resources Estimate compiled and reviewed by Mr Chris Grove (Announced to the ASX on the 8th November 2021), who is a Member of the Australasian Institute of Mining and Metallurgy and is a Principal Geologist employed by Measured Group Pty Ltd. Mr Chris Grove 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 Mineral Resources. Mr Chris Grove consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Elementos is not aware of any new information or data that materially affects the information included in that release. All material assumptions and technical parameters underpinning the estimates in that ASX release continue to apply and have not materially changed.

Of the Mineral Resources scheduled for extraction in the Study mine production plan, approximately 21% are classified as Measured, 67% as Indicated and 6% as Inferred, with 6% Unclassified (0% grade – dilution). There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. Inferred Resources do not contribute to the production schedule in the first 6 years of operations and only 1% in the first nine years of the proposed development. The production plan includes Inferred Resources in the latter stages of the production schedule. In the attached Scoping Study Figure-16 charts the contributions of Inferred Resources to the mining schedule.

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

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

Elementos has concluded that it has a reasonable basis for providing these forward-looking statements and the forecast financial information included in this release. This includes a reasonable basis to expect that it will be able to fund the development of the Oropesa Tin Project upon successful delivery of key development milestones. The detailed reasons for these conclusions are outlined throughout this ASX release and in Appendix 1 (JORC Code 2012, Table 1. Consideration of Modifying Factors). While Elementos considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the 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.

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

COMPETENT PERSON STATEMENTS

The information in the report to which this statement is attached that relates to mining and the Production Target including the assumptions for the Modifying Factors are based on, and fairly reflect the information and supporting documentation compiled and prepared by Mr Michael Hooper a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hooper is employed by Optimal Mining Solution Pty Ltd as an independent consultant to Elementos Ltd. Mr Hooper 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'. Mr Hooper consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The Mineral Resources underpinning the Production Target have been prepared by a competent person or persons in accordance with the requirements in Appendix 5A (JORC Code).

The Study is based on the Measured, Indicated and Inferred Mineral Resources Estimate compiled and reviewed by Mr Chris Grove (Announced to the ASX on the 8th November 2021), who is a Member of the Australasian Institute of Mining and Metallurgy and is a Principal Geologist employed by Measured Group Pty Ltd. Mr Chris Grove 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 Mineral Resources. Mr Chris Grove consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Study for the Oropesa Tin Project is based on and fairly represents information and supporting documentation that has been compiled and reviewed for this report by Mr Chris Creagh who is a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Creagh is an employee to Elementos Ltd and is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

ASX:ELT

ELEMENTOS
TOMORROW'S TIN

SCOPING STUDY REPORT

OROPESA TIN PROJECT

MARCH 2022

CONTENTS

FIGURES

TABLES

1.0 INTRODUCTION

The following report is the output report of a JORC level Scoping Study (Study) on Elementos' wholly owned Oropesa Tin Project located in Spain. The Study is based on the development of an open-cut mine, processing plant, tailings storage facility and infrastructure to support a 1,250,000 tonne per annum (tpa) mining operation over a mine life of approximately 13 years. The operation will produce high-quality tin concentrate for sale to commercial smelters in Europe and Asia and onto customers who use tin for critical manufacturing.

The Study, based on a conservative tin price of US$32,500 per tonne, demonstrates a real, ungeared pre and post-tax Net Present Value at an 8% discount rate of approximately US$219 million and US$149 million, respectively. The pre and post-tax Internal Rate of Return (IRR) is approximately 46% and 38%, respectively. The capital payback period is approximately 2.5 years. Capital development costs have been estimated at approximately US$86 million including a 20% contingency.

The Study is based on a culmination of extensive resource drilling, geological assessments, geophysical investigations, geotechnical studies and metallurgical programs spanning more than twelve years.

The Study has been completed to an overall Scoping Study level of accuracy of +/- 35%. The Study was primarily conducted to re-establish the scale of the project, following the release of the upgraded Mineral Resource Estimate in November 2021, as the company progresses its development of the project's Definitive Feasibility Study (DFS).

** The Production Targets and forward looking statement in the Study should be read in conjunction with the cautionary statement on page-4.

2.0 STUDY TEAM

The Study has been prepared by independent consultants, including:

Measured Group
Mineral Resource Estimate

Optimal Mining Solutions (subcontracted through Measured Group)
Mine design and scheduling

Wardell Armstrong International (WAI)
Metallurgy and process design

Soluciones, Concentradores Y Procesos de Ingeniería (SCYPI)
Process design, capital and operating costs

ERM – Environmental Resource Management (Madrid)
Environmental & Rehabilitation Surveys, Advice and Reporting

Elementos was responsible for the preparation of the financial model (including the financial modelling assumptions referenced in the following report) and tin price forecasts.

3.0 PROJECT DESCRIPTION & LOCATION

Elementos acquired a 100% interest in the Oropesa Tin Project in December 2019, acquiring the subsidiary Minas De Estano De Espana, S.L.U (MESPA), under a share purchase arrangement with Eurotin Ltd. Sondeos y Perforaciones Industrales del Bierzo, S.A. (SPIB), owner of the project prior to Eurotin's ownership, retains the following future rights to the Oropesa project:

- A 1.35% net smelter royalty (NSR); and
- Once a decision to mine the Oropesa tin project is made, SPIB is to be provided an undiluted 4% equity ownership in the project.

The Oropesa deposit is located approximately 75km northwest of Cordoba and 180km northeast of Seville in the Cordoba Province, Region of Andalucía, in southern Spain (Figure 1).

The Oropesa property comprises an exploration concession package (Investigation Permit No. 13.050) covering an area of 13.0km^2. In October 2017, Eurotin applied for an Exploitation Licence. An Exploitation Concession, when granted, is valid for a period of 30 years, and may be extended for two further periods of 30 years each and up to a maximum of 90 years.

The Exploitation Licence application must be accompanied by a proposed development plan and Environmental Impact Assessment (EIA), and these were submitted in January 2018. In March 2019, the Junta de Andalucía requested modifications to the EIA and development plan. The applications have since been revised by Elementos (supported by global environmental consultancy ERM) and plan to be submitted on the same scale and design as this study in early April 2022.

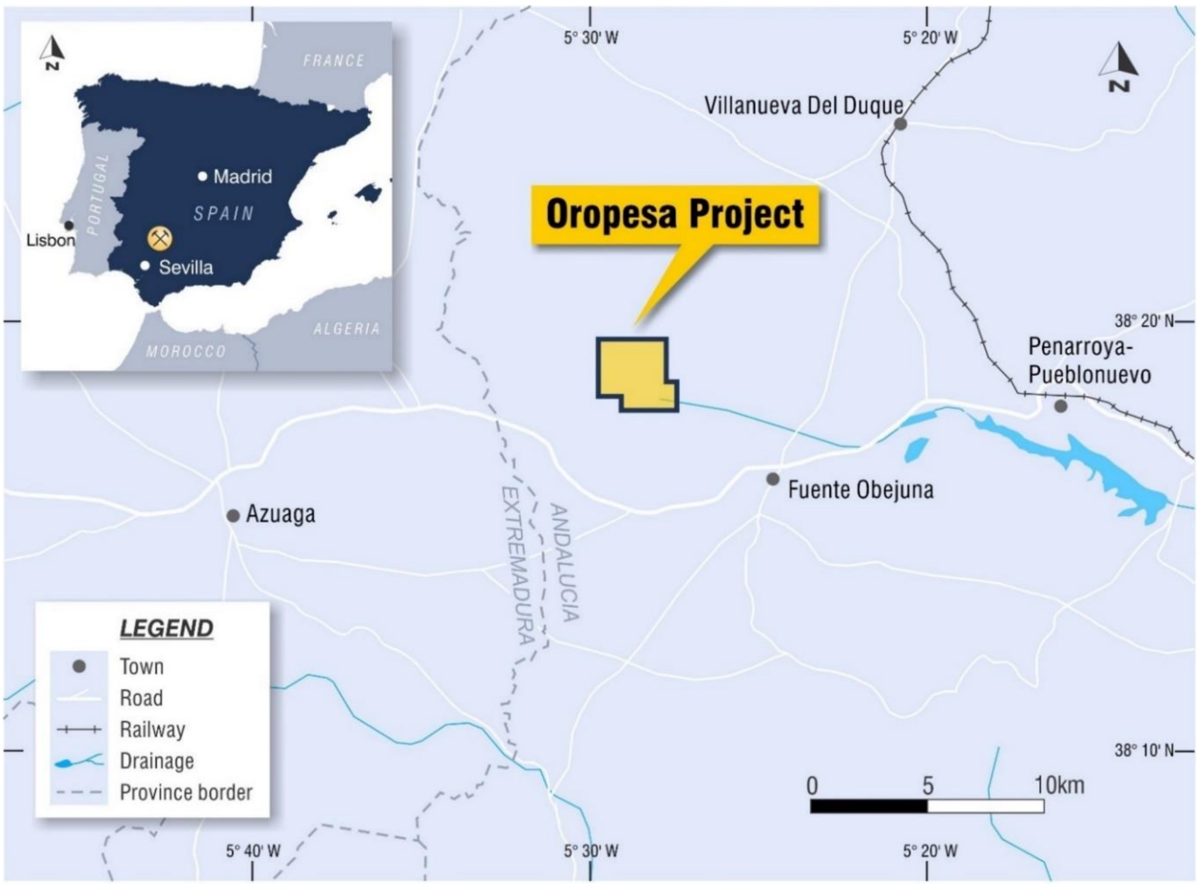

Figure 1. Oropesa Location and Exploitation Licence Application Area

4.0 GEOLOGY & MINERALISATION

4.1 Geology

The Oropesa deposit is located within the Espiel Thrust Sheet, at the western margin of the Peñarroya basin, a Carboniferous, trans-tensional basin that formed during the Late Carboniferous Hercynian/Variscan orogeny. The Espiel Thrust Sheet is located between Ossa-Morena Zone and Central Iberian Zone within the Iberian Massif in southern Spain.

The Oropesa project area comprises intercalated sandstones and conglomerates with rare siltstones and shales. The sedimentary units have complex geometries, reflecting an active depositional environment and syn-sedimentary faulting. This geometry has been further complicated by a subsequent phase of deformation involving the re-activation of some basin-controlling faults as strike slip and reverse faults with associated folding of the stratigraphic package, producing upright to locally overturned bedding.

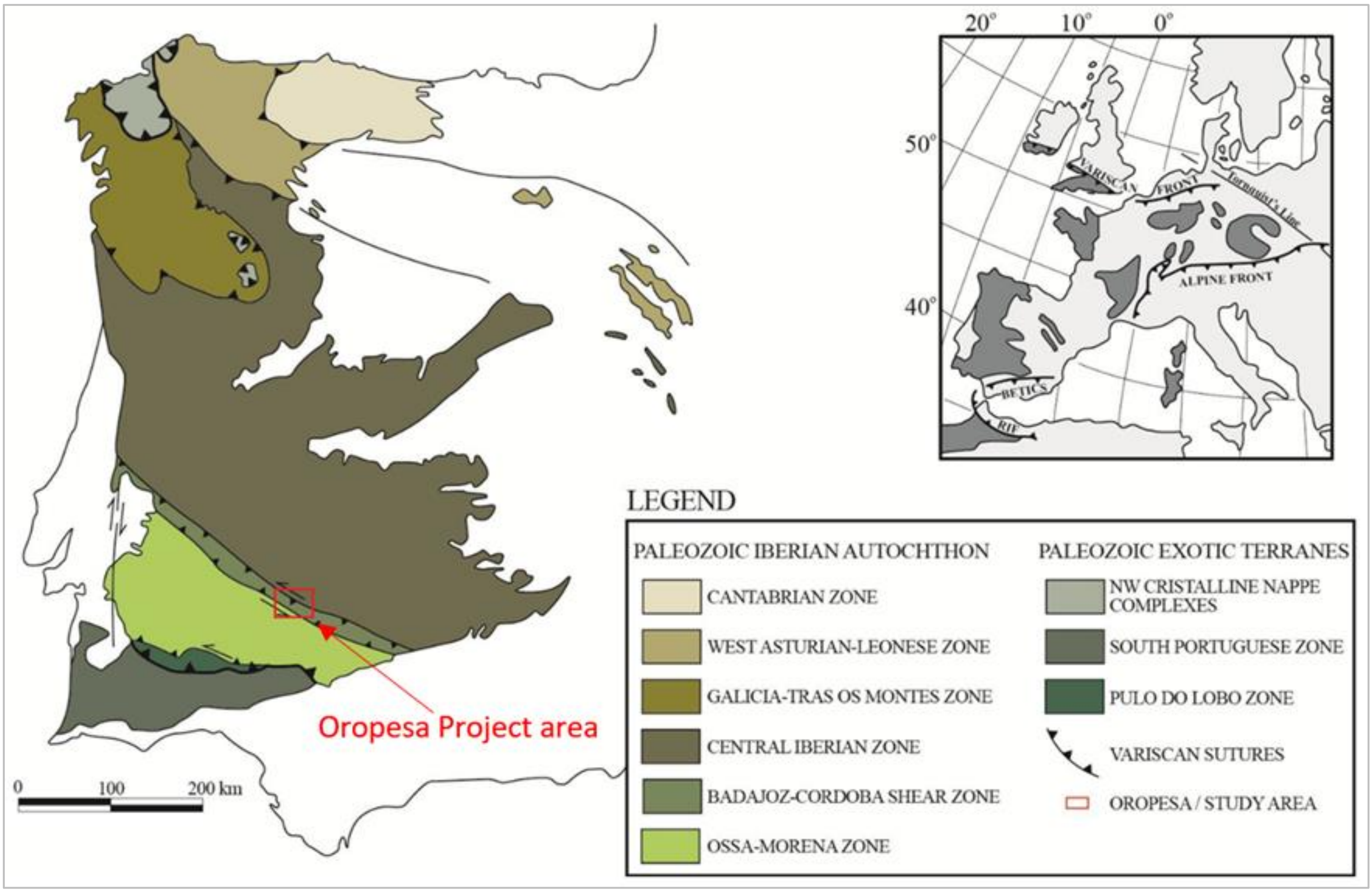

Figure 2. *Simplified Geology of the Iberian Massif (Spain)*

The geometry of the Oropesa deposit is primarily the result of two major deformation phases, an initial strike-slip to extensional phase of deformation during basin formation followed by a strong contractional overprint. Overturned bedding suggests that the sedimentary sequence has undergone significant folding post-deposition. Modelling has identified closed to open recumbent folds that control the first order geometry of the deposit (Figure 3).

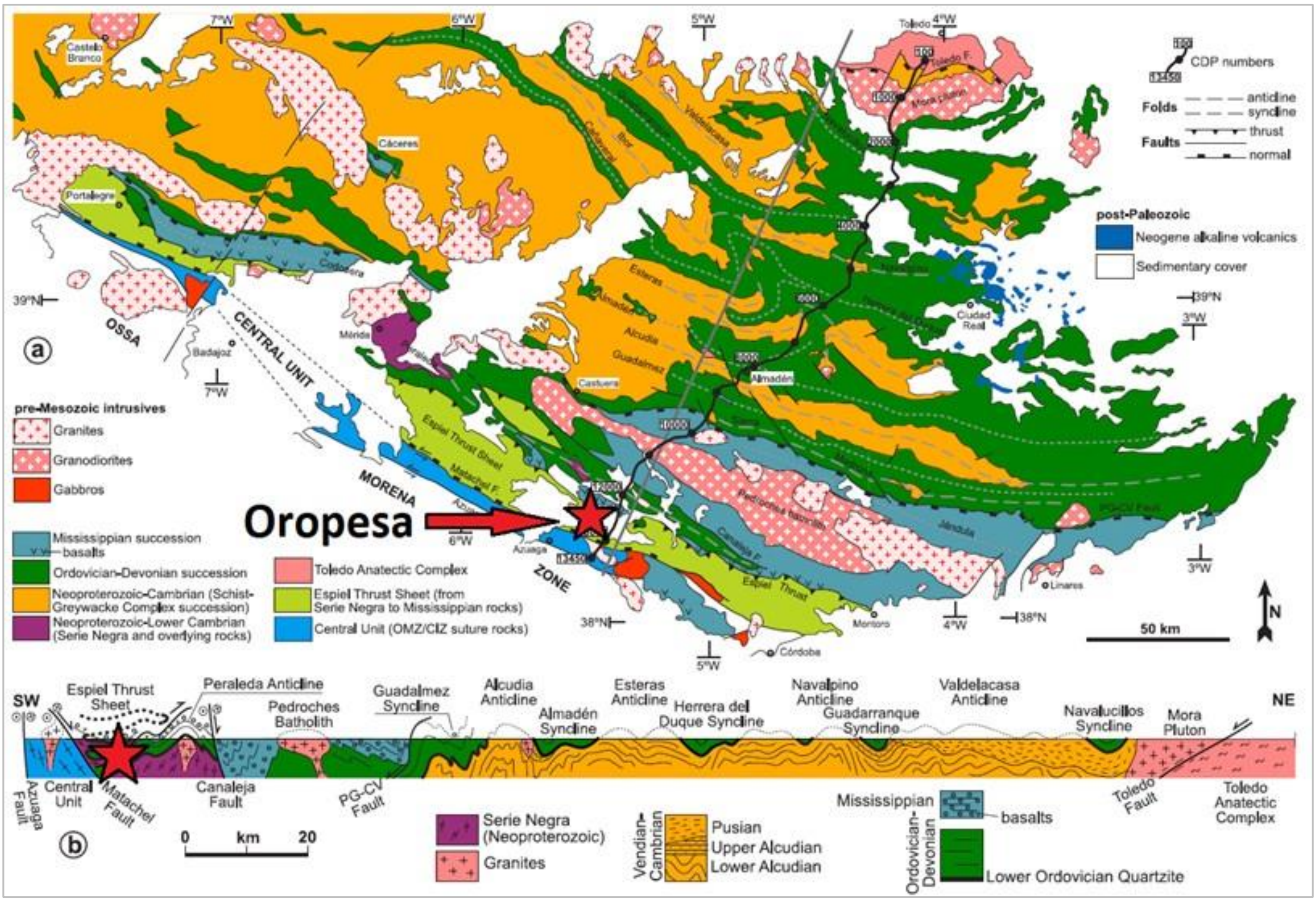

Figure 3. *Regional Geology*

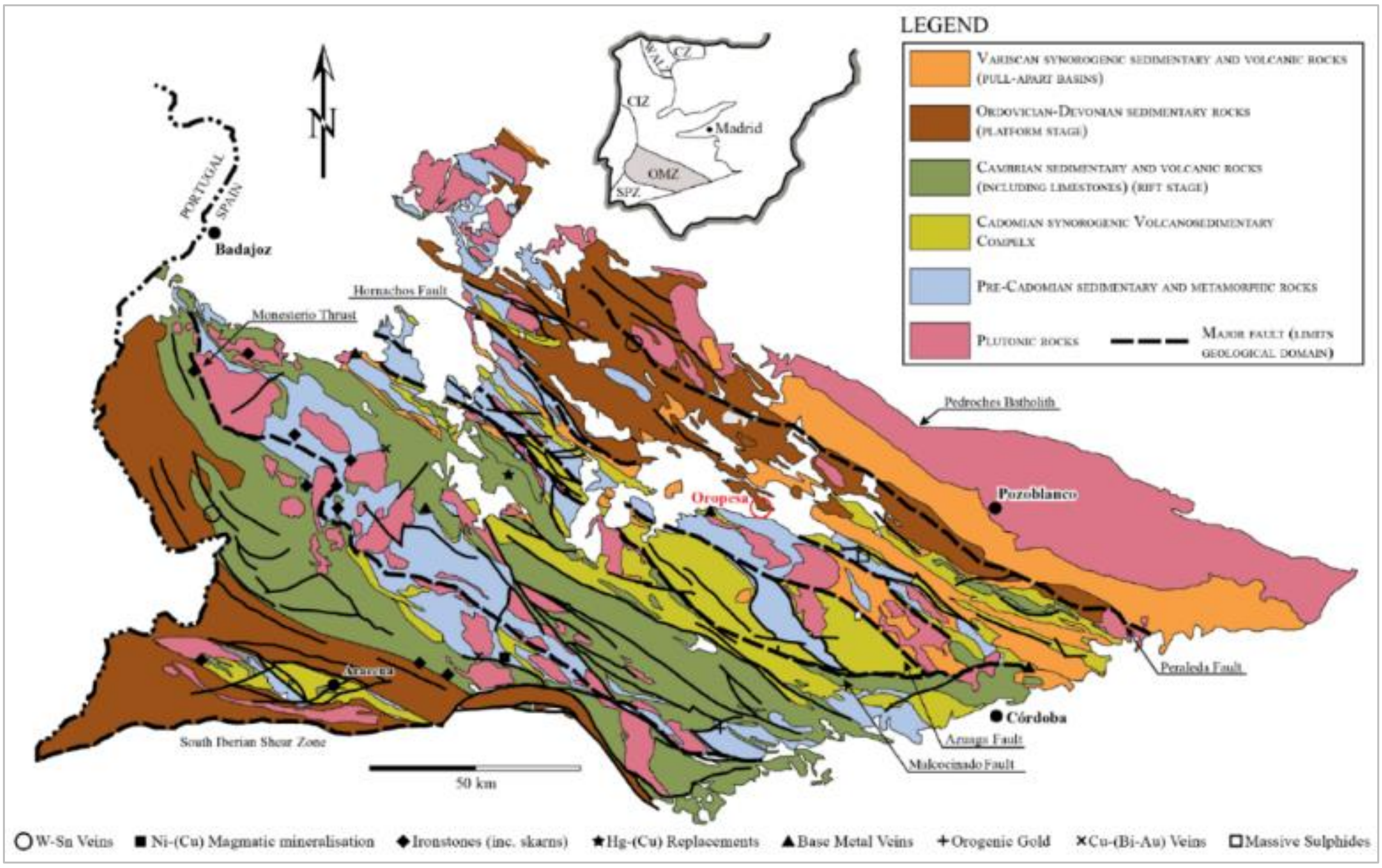

Figure 4. *Geology of the Ossa Morena Zone*

4.2 Mineralisation

The majority of the tin mineralisation (cassiterite > 97-99% with minor stannite) is replacement style, primarily occurring in granular sandstones at the contacts between the sandstone and conglomerate units. The mineralisation is volumetrically more significant as replacement style within the sandstones, however less significant fault/structurally hosted mineralisation has been interpreted as occurring within reverse thrust fault zones that bound and occur within the deposit. The tin mineralisation is associated with pervasive leaching of the host rocks, silica alteration and several phases of para-genetically late disseminated to semi-massive sulphides.

The geometry of the Oropesa deposit is primarily the result of two major deformation phases, an initial strike-slip to extensional phase of deformation during which sediment deposition occurred within the basin as it developed, followed by a strong contractional overprint.

Significant post sediment deposition tectonic activity comprising contractual sinistral strike-slip deformation appears to have been a key mechanism in providing structural conduits for mineralising fluids contemporaneously providing more permeable locations along the sandstone/conglomerate contact zones for the development of the ore body.

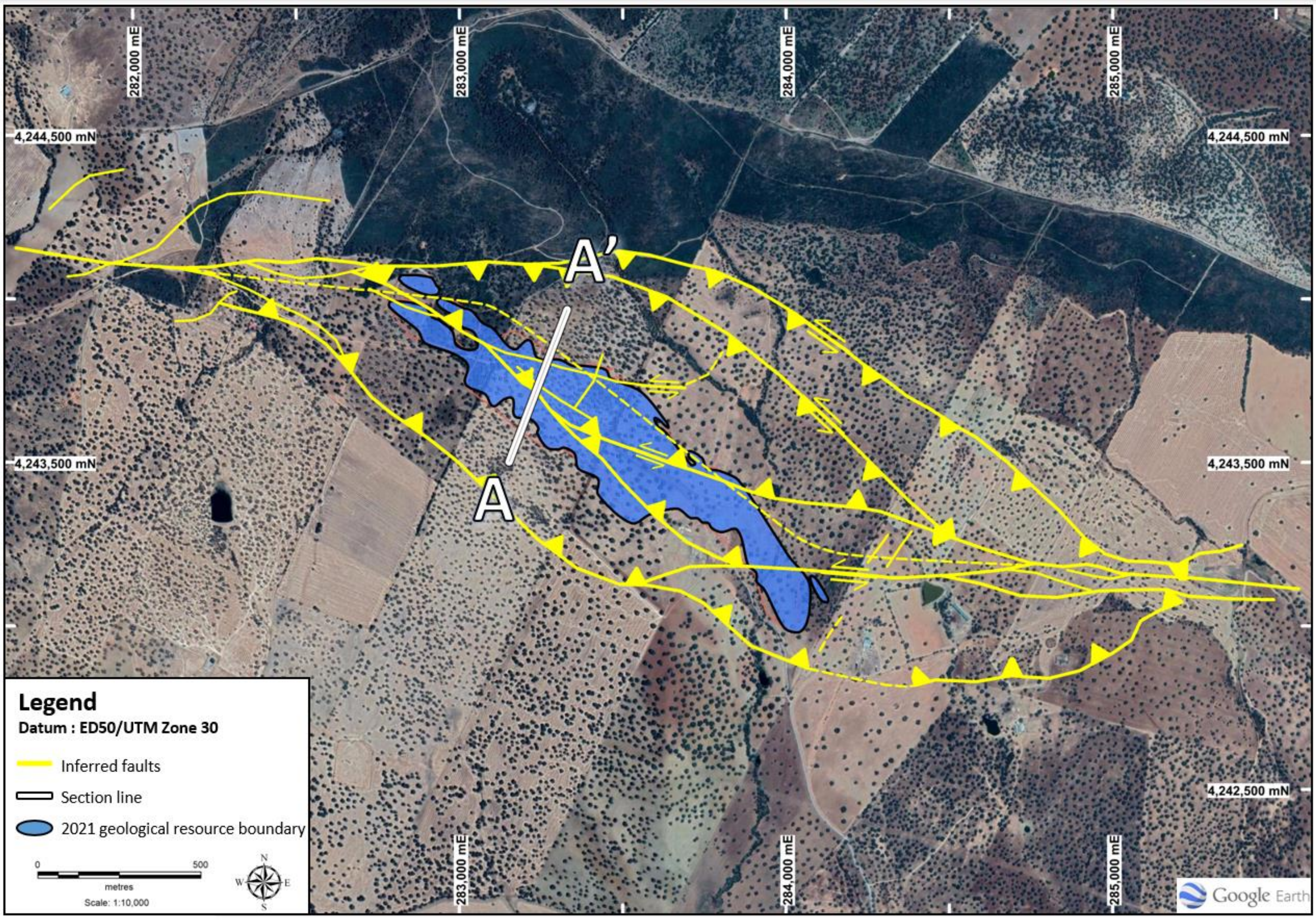

Figure 5. Sinistral strike-slip restraining stepover geometries as modelled by McClay and Bonora (2001), superimposed on the Oropesa deposit.

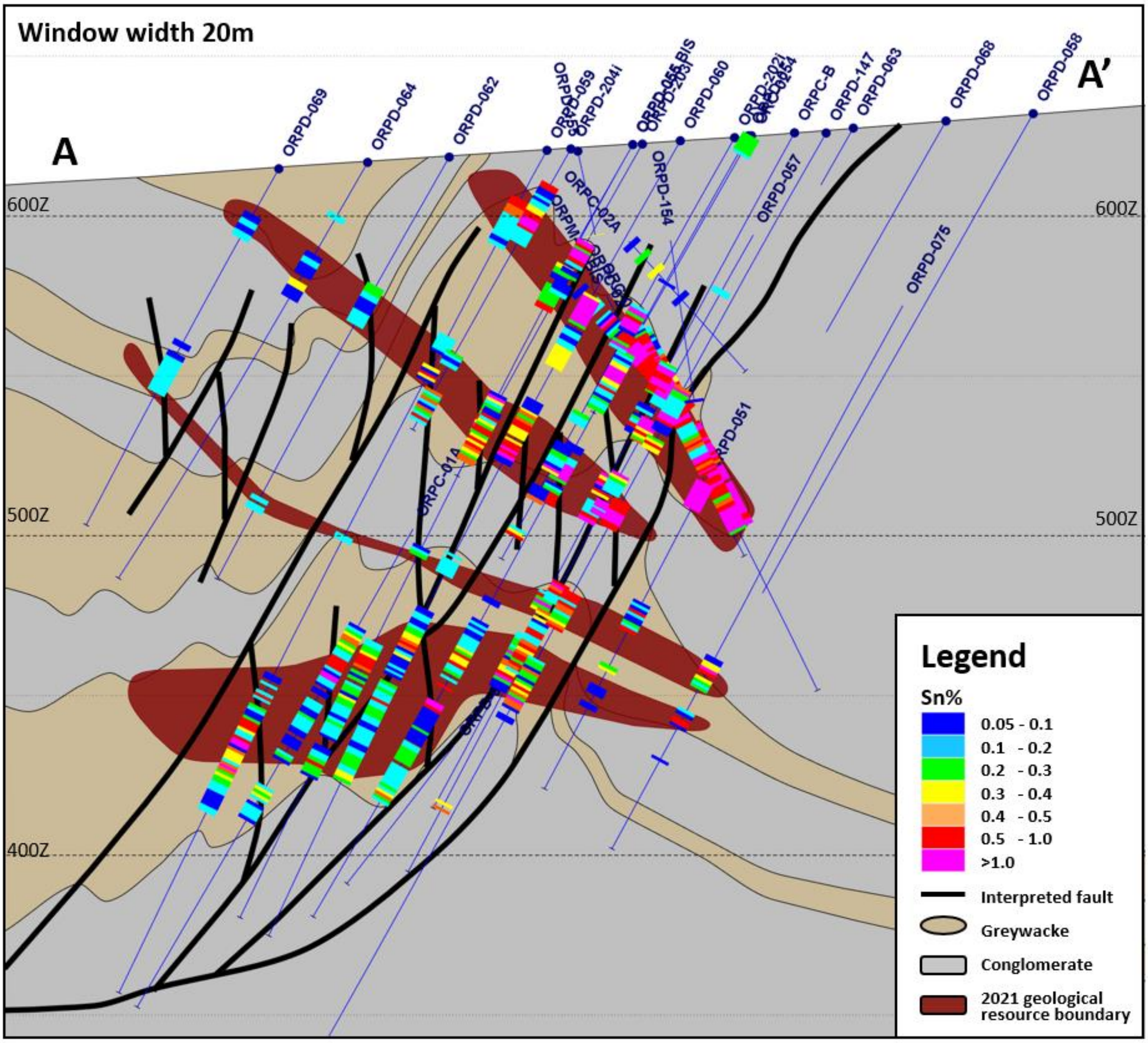

Figure 6. Lithological and structural interpretation including drill hole traces displaying Sn intercepts through Section A-A

5.0 HISTORICAL EXPLORATION

The Instituto Geológico y Minero de España (IGME) carried out exploration in the Oropesa region between 1969 and 1990. Exploration activities including geological mapping and stream sediment geochemical surveys discovered the presence of tin on the present Oropesa property in 1982.

Exploration programs including soil geochemical analysis, geophysics and drilling conducted by government, private and public companies since the initial discovery have resulted in the definition of the current geological resource.

Seven drilling programs have been completed to compile the data in this report. Six drilling programs from 2010 – 2016 were completed as predominantly HQ diameter diamond drill (DD) holes, using a double tube recovery barrel. A small number of reverse circulation (RC) drill holes (12) and RC-DD tail drill holes (4) were carried out during the early phases of exploration (2012). Further details of these drilling programmes are reported in Mineral Resource Estimates released in 2015 and 2018. One RC and diamond twin hole has been completed.

Elementos completed an additional 46 exploration diamond drill holes and 10 geotechnical drill holes in 2020-22 for a total of 364 drill holes across the entire project. These 364 drill holes includes holes outside the Mineral Resource and non-Resource holes such as geotechnical holes, and for hydrogeology and sterilisation.

The holes used in the 2021 Mineral Resource Estimate are summarised in Table-1.

Drilling type	Count	Length (meters)
Diamond	262	52,612
Reverse circulation	4	463
Reverse circulation with Diamond Tail	4	922
Total	270	53,988

Table 1. *Oropesa 2021 Mineral Resource Estimate Drill Hole Database*

6.0 MINERAL RESOURCE STATEMENT

The Study is based on a 2012 Joint Ore Reserve Committee (JORC) compliant, Measured, Indicated and Inferred Resource Estimate (MRE) prepared by Measured Group (see ASX releases, "Oropesa Tin Project – Mineral Resource Estimate", 8th November 2021.

Notes:

1. All figures are rounded to reflect the relative accuracy of the estimate;
2. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability;
3. The reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012); and
4. The Mineral Resource is presented on a 100% ownership basis.

Resource Classification	Sn (%)	Tonnes (kt)	Contained Metal (tonnes)
Measured	0.41	4,295	17,640
Indicated	0.38	12,326	46,321
Sub: Measured & Indicated	**0.38**	**16,621**	**63,961**
Inferred	0.51	2,237	11,457
Total	0.40	18,858	75,418

Table 2. Mineral Resources Estimate Statement - using a cut-off grade of 0.15% Sn

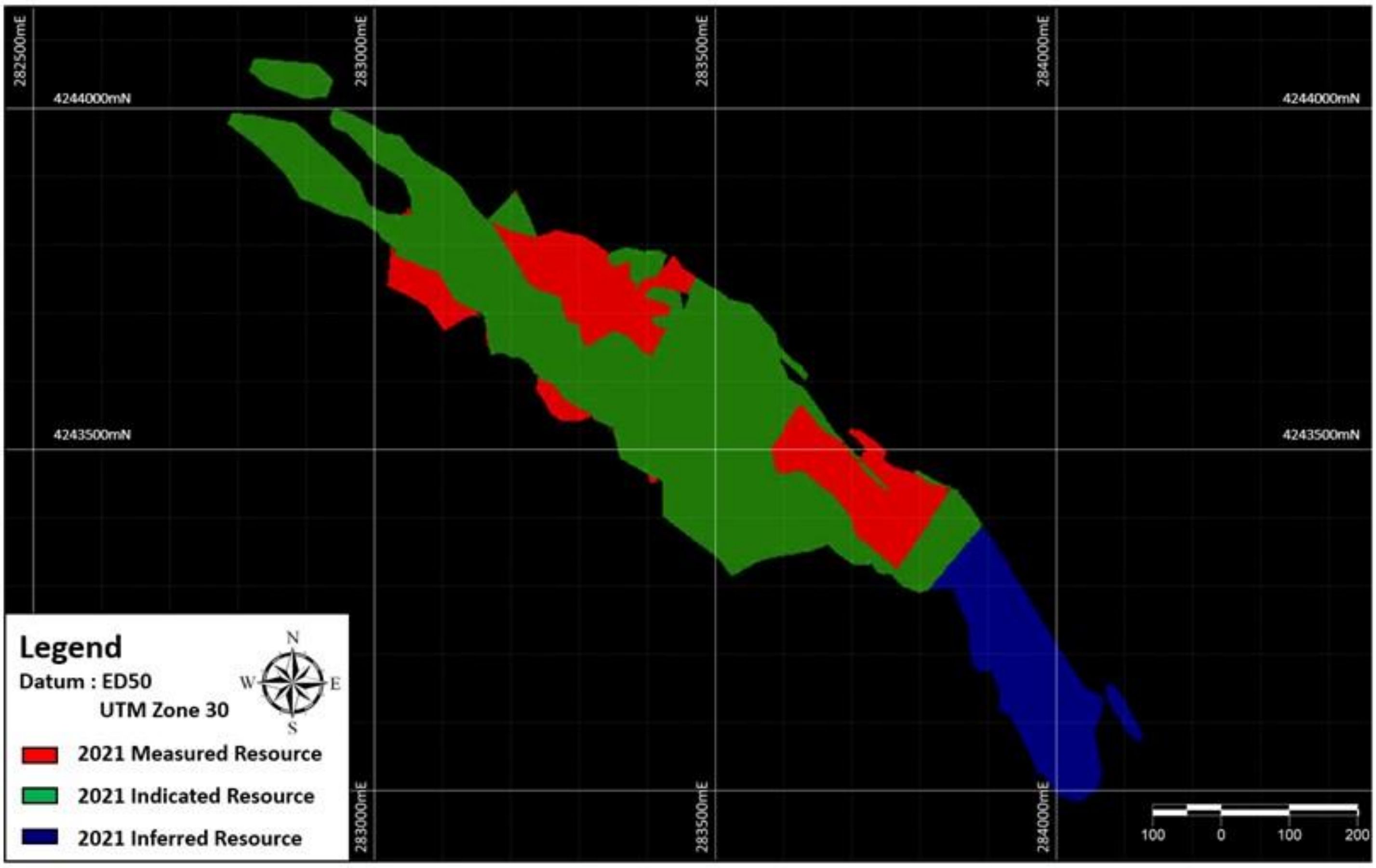

Figure 7. Oropesa Resource Model plan coloured by Resource Classification

7.0 MINING

A detailed mining study was completed, based on the updated Mineral Resource Estimate that was released in November 2021. The Measured, Indicated and a small portion of Inferred Resources were used for the optimisation studies to define the Production Target.

7.1 Open Pit Optimisation

The pit optimisation utilises Deswik Pseudoflow software to generate a series of nested pit shells using “Revenue Factors” based on financial and operational assumptions. The shells represent the incremental break-even (economic) limit at which point the cost of mining, processing etc is the same as the revenue.

To calculate the economic pit shell limits, Pseudoflow requires four main inputs:

- Geological model
- Operational assumptions
- Cost assumptions
- Revenue assumptions.

The operating assumptions used for the pit optimisation inputs are listed in Table 3. Figure 8 also provides an illustration of the ore process flow that represents the pit optimisation calculations.

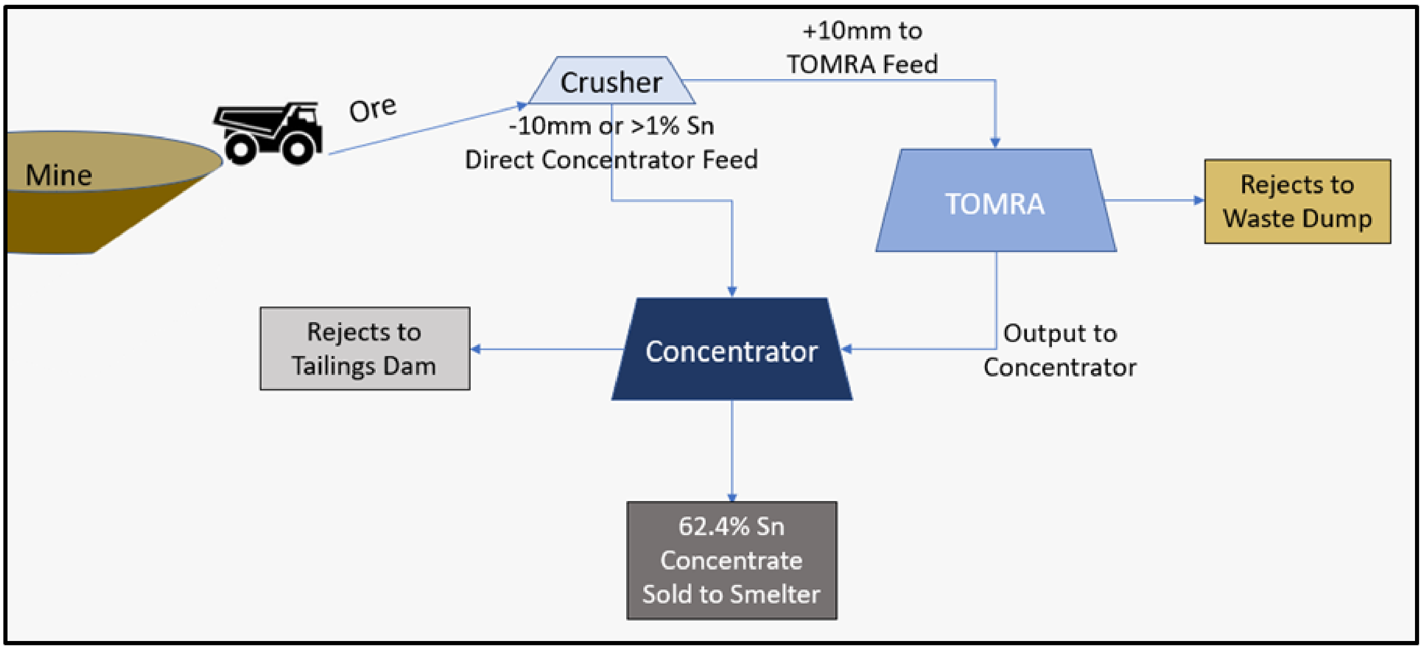

Figure 8. *Schematic of Ore Process Flow for Pit Optimisation Calculations*

Input	Value
Overall Pit Wall Angle [1]	41^{O}
Mining Recovery	95%
Mining Dilution	5%
Ore Dilution Grade Sn%	0%
Crusher Split -10mm Mass Yield [2] (Bypass Ore Sorter – Direct Concentrator Feed)	21.5%
Crusher Split -10mm Sn Grade Upgrade [2]	y = 1.1238(Sn Feed) + 0.0002
Crusher Split +10mm Mass Yield [2] (TOMRA Feed)	78.5%
Ore Sorter High Grade Bypass Limit (Bypass TOMRA – Direct Concentrator Feed)	>1% Sn
Ore Sorter Feed Mass Yield [3]	y=19.685(Sn Feed) + 0.5858
Ore Sorter Feed Tin Recovery [3]	y=21.131(Sn Feed) + 0.7738
Concentrate Output Sn Grade [4]	62.4%
Concentrator Metal Recovery [4]	74.2%
Cut-off Grade Sn%	0.15%

Table 3. Operating Assumptions and Modifying Factors

Notes:

(1) Geotechnical studies undertaken in 2017 by CRS Ingenieria (CRS) from Madrid, Spain and reviewed by Terratec Geotecnia (Terratec), Grado, Spain provided pit wall design parameters that equated to this overall angle.

(2) Results from particle size material testing was undertaken in 2019 by TOMRA in Hamburg, Germany

(3) Regressions from pre-concentration XRT ore sorting testing undertaken in 2019 by TOMRA in Hamburg, Germany.

(4) Results from 2017 Pilot Plant Study by Wardell Armstrong International in Cornwall, United Kingdom.

7.2 Operating Cost Assumptions

The input cost assumptions used for the pit optimisation inputs are listed in Table-4. All values are in US dollars.

Input	Units	Value
Topsoil Stripping and Management	$/bcm	$3.24
Waste Mining (incl D&B) < 1km Haul	$/Waste t	$1.60
Ore Mining (incl D&B) < 1km Haul	$/Ore t	$1.87
Additional Cost for Haulage > 1km	$/t/100m	$0.018
Pit Dewatering	$/t/70m depth	$0.074
Grade Control Drilling	$/Ore t	$0.165
Ore Sorter Cost	$/Ore Feed t	$1.04
Ore Sorter Rejects Disposal	$/Rejects t	$1.05
Process Plant Costs	$/Plant Feed t	$16.19
Final Void Rehandle & Shaping	$/Waste t	$0.77
% of Waste Rehandled into Void	%	61%
Pit and Dump Rehabilitation	$/Total Mined t	$0.08
Infrastructure and Tailings Rehabilitation	$/Ore t	$1.05
General and Administration Costs	$/Total Mined t	$0.67
Freight	$/conc. t	$200
Smelting	$/conc. t	$450
Sustaining Capital	$/Ore t	$1.42
Contingency	% of Opex	5%

Table 4. Pit Optimisation Input Cost Assumptions

The costs are sourced from a combination of quotes provided by a local contractor, estimations by environmental and processing consultants and benchmarks from similar operations adjusted for local conditions.

7.3 Revenue Assumptions

An initial revenue scenario was run based on a benchmark price of US$30,000/tin tonne. The following reductions in the revenue price were applied to the product concentrate at Oropesa:

- Concentrate impurities - US$250/tin t (indicative only)
- Tin Payable Percentage – 98%

A second revenue scenario was run based on a benchmark price of US$45,000/tin tonne to gain an understanding of the increased economic pit limits. This assisted in ensuring infrastructure and out of pit waste dump locations would not be sited within the footprint of the larger pit shell.

7.4 Optimised Pit Shell Results

The Revenue Factor 1 (RF1) economic pit shells were generated for the US$30,000/tin tonne (30k Pit) and US$45,000/tin tonne (45k Pit) benchmark pricing scenarios. Figure 9 shows the Pseudoflow output of the 30k Pit shell with the footprint outline of the 45k Pit for infrastructure planning.

7.5 Mining Assumptions & Modifying Factors

The Oropesa mine plan has been designed to maintain a constant feed of approximately 1 million tonnes per annum (Mtpa) to the Process Plant. To achieve this, approximately 1.25Mtpa of ROM ore from the pit is required depending on the ore grade and the resulting Ore Sorter yield. At the required rate, the 30k Pit can supply the processing operations for approximately 13 years whilst the 45k Pit would extend the mine life at this production rate by another two years.
To develop the mine plan, the 30k Pit was divided into practical mining blocks and interrogated by the geological model to generate in-situ ore and waste quantities. The following assumptions and along with the modifying factors shown in Table 3 were then applied to the in-situ data to generate the mining and processing tonnages and qualities for scheduling, financial modelling and reporting.

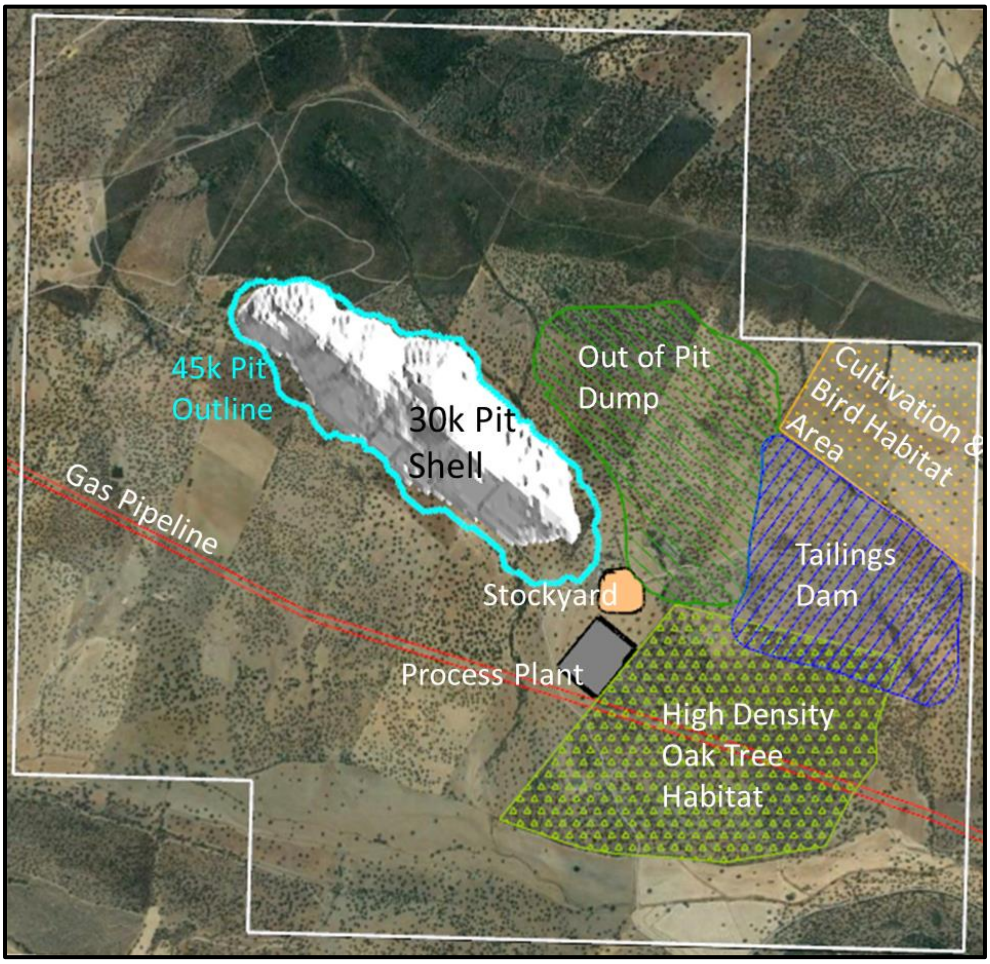

***Figure 9**. Location of 30k Pit Shell with 45k Pit Crest Outline and Key Infrastructure.*

7.6 Infrastructure

The locations for the process plant, stockyard, tailings dam and the out of pit waste dump were defined taking into consideration topography, environmentally sensitive areas, existing public infrastructure and the sterilisation of potential future resource (45k Pit). This provided guidance for the pit development as well as allowing a more accurate estimate for material destination scheduling and haulage calculations. Figure 9 shows the location of key infrastructure and footprints of the mine 45k Pit compared to the 30k Pit.

7.7 Mining Method and Strategy

The deposit is planned to be mined using conventional open pit mining methods in six stages. The strategy of staging the pit is to develop the mine from the shallowest section of the pit in the north-west to the deeper areas in the south-east and backfilling the mined-out stages as the pit progresses (Figure 10).

An initial start-up pit (Stage 1) was designed to target the near surface ore in the central area of the mine which Pseudoflow identified as the highest margin ore. It has been assumed that the material required for the construction of the tailings dam wall will be sourced from suitable areas within the pit footprint before the mining of Stage 1 commences.

It is assumed that the mining of both the ore and waste will be undertaken by contractors. The pit and dump areas will be progressively cleared of vegetation as required. The topsoil will be removed and stockpiled for later use in rehabilitation of the disturbed areas. Up to 20m high benches will be drilled and blasted with special focus placed on blast control for safe, stable final pit walls and grade control.

Excavators and trucks will then be engaged to dig and haul the blasted material in 2.5m or 5m passes. The waste will be hauled initially to the out of pit dump, however once in-pit dumping becomes available this will be the priority dumping location. If possible, the ore will be hauled directly to the crusher, however a ROM stockpile area is available if the amount of ore coming from the pit exceeds the crushing capacity or the crusher is not operating. This stockpile area will also be used for blending opportunities. Course rejects from the Ore Sorter will be loaded by a front-end loader into trucks before being hauled to the waste dump for disposal.

Based on the quantities required to be mined, 120t ($5m^3$) and 190t ($11m^3$) size excavators would be used loading 60t and 90t capacity trucks respectively. The 120t excavator would be prioritised to selectively mine the ore and the 190t excavators on waste, but there will be times where they will need to mine both material types. A front-end loader would also be required for the ROM stockpile rehandle and Ore Sorter rejects materials, loading into the 60t trucks.

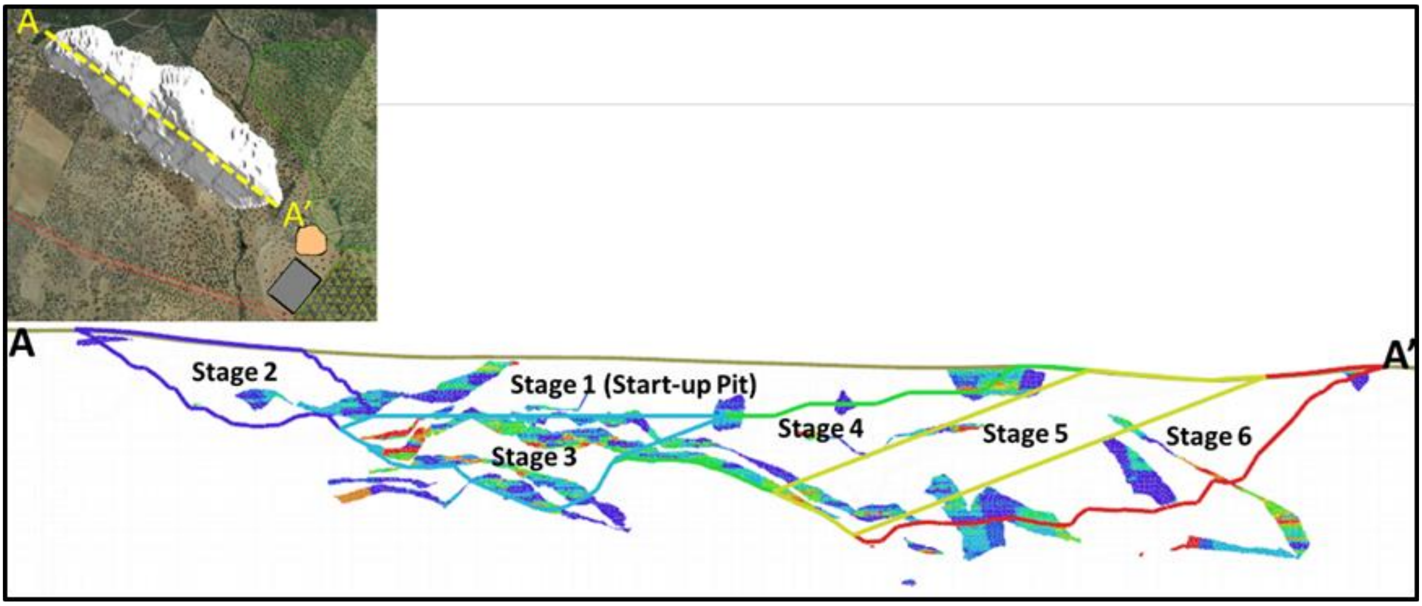

Figure 10. Section of Pit Showing Stages

7.8 Production Target and Mining Quantities

Table 5 presents the ore quantities and qualities within the 30k Pit Shell, which is the basis of the Production Target and mine plan. The Production Target is inclusive of Inferred (6% of total tonnage) and Unclassified Resources (6% of total tonnage) and thus does not constitute an Ore Reserve estimate that complies with JORC reporting requirements. The Production Target is inclusive of dilution and recovery assumptions.

A total of 88% of material underpinning the Production Target is in either the Measured (21%) or Indicated (67%) Resource classification categories.

Resource Category	**ROM Ore** (Mt)	**Grade** (% Sn)	**Contained Tin** (kt)	**Proportion** (% of total tonnes)
Measured	3.3	0.41%	13.6	21%
Indicated	10.3	0.37%	38.5	67%
Inferred	0.9	0.51%	4.7	6%
Unclassified (dilution)	0.9	0.00%	0.0	6%
Total	**15.5**	**0.37%**	**56.8**	**100%**

Table 5. Mineral Resource Categories Contained in Production Target Pit Shell

Table 6 presents the mining and processing quantities and qualities of the 30k Pit as calculated using the modifying factors.

Attribute	**Unit**	**Value**
MINING		
Waste	Mt	137
ROM Ore to Crusher	Mt	15.5
ROM Ore Sn Grade	%	0.37%
ROM Ore Contained Tin	kt	56.8
CRUSHING/ORE SORTING		
Ore Sorter Bypass	Mt	4.1
Ore Sorter Bypass Sn Grade	%	0.59%
Ore Sorter Feed	Mt	11.4
Ore Sorter Feed Sn Grade	%	0.28%
Ore Sorter Product	Mt	7.3
Ore Sorter Product Sn Grade	%	0.38%
Ore Sorter Rejects	Mt	4.1
CONCENTRATOR		
Concentrator Feed	Mt	11.4
Concentrator Feed Sn Grade	%	0.45%
Concentrator Product	kt	61.8
Concentrate Sn Grade	%	62.4%
Concentrate Contained Tin	kt	38.5

Table 6. Mining and Processing Quantities and Qualities

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7.9 Dump Designs

Based on the final waste quantities calculated, the out of pit waste dump was designed to contain all waste and TOMRA rejects with the knowledge that in-pit dumping will take a portion of the waste so the out of pit dump will not reach full capacity.

The out of pit dump has been designed to fill against the western wall of the tailings dam once the second stage has been constructed.

The out of pit dump was designed in 10m lifts at 35° angle of repose with 8m berms which results in an effective overall angle of 25°. The maximum elevation of the dump is RL720, but only up to RL690 was required in the schedule. The dump was cut in 5m benches and 50m x 50m blocks for scheduling.

The in-pit dump was designed to fill the void up to original topography. It was cut in 5m benches and 25m x 25m vertical blocks for scheduling. A dependency in the schedule was applied to control the overall angle of the advancing dump face to 25°.

A material swell factor of 1.2 has been applied to the in-situ bank volume of the waste for scheduling the filling of the waste dumps

7.10 Dump Rehandle, Final Landform and Rehabilitation

The remaining out of pit dump is scheduled to be rehandled back into the pit at the end of mining to avoid a pit void lake or dam forming. A final free draining landform was designed with 20° batters from the higher topographical areas to a 1% sloping floor to the lowest point of the pit crest. This reduces the amount of out of pit dump to be rehandled.

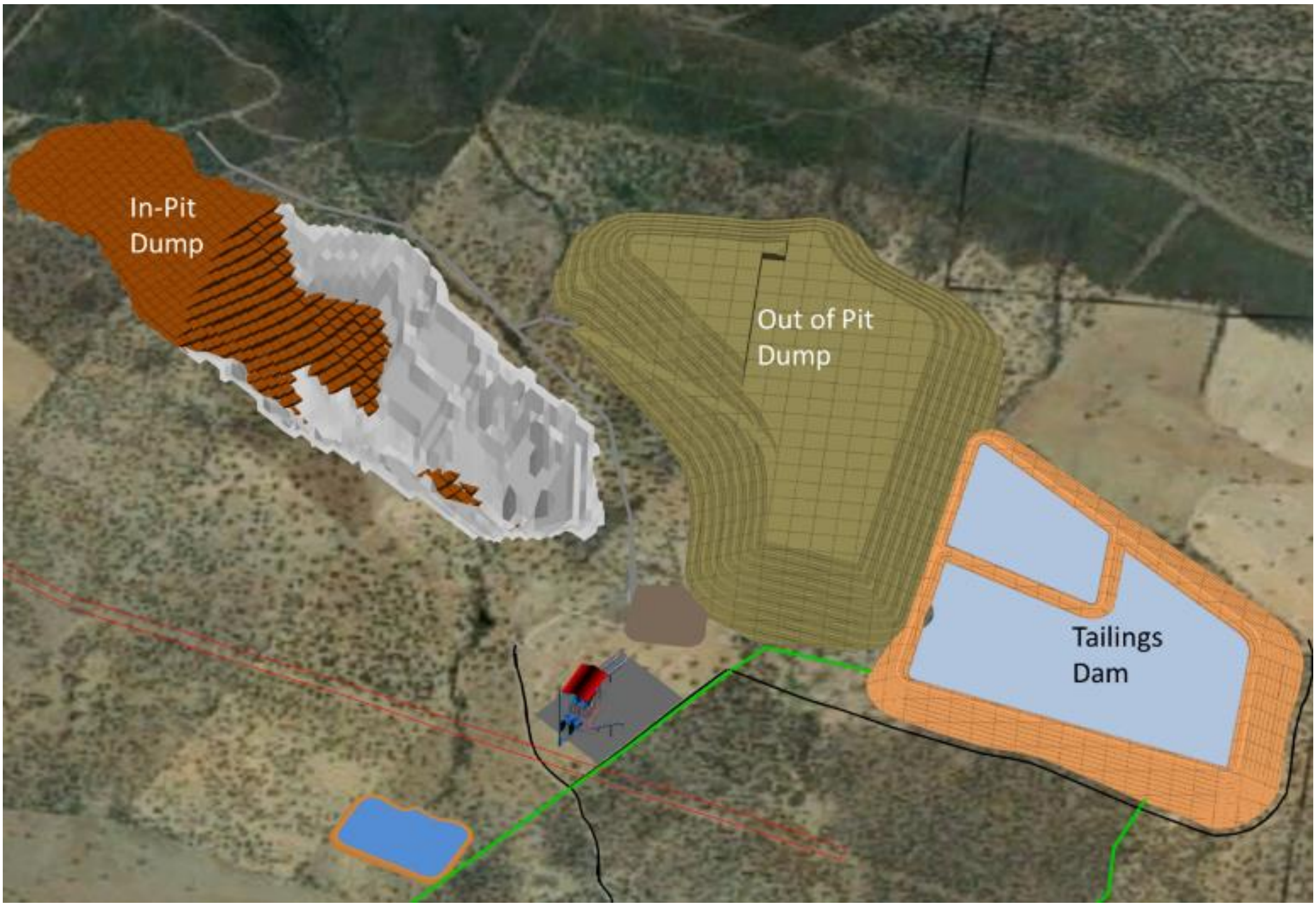


***Figure 11**. End of Mining Topography (Pre-Rehabilitation)*

The in-pit dump gets filled above this free draining landform in some areas. At the end of mining this material is pushed into the void by dozers whilst a 600t (29m^3) hydraulic shovel loading 180t trucks digs off the out of pit dump to fill the void.

Figure 11 and Figure 12 shows the end of mining topography and the backfilled free draining landform.

Remaining out of pit dump is shaped to 20^o slope and provides extra stability to capped and rehabilitated tailings dam.

In addition to the waste movement, the rehabilitation costs for dismantling of site plant and infrastructure and re-planning and seeding the area have been costed in full alignment with the ERM rehabilitation plan. The cost of this is US$10.5M.

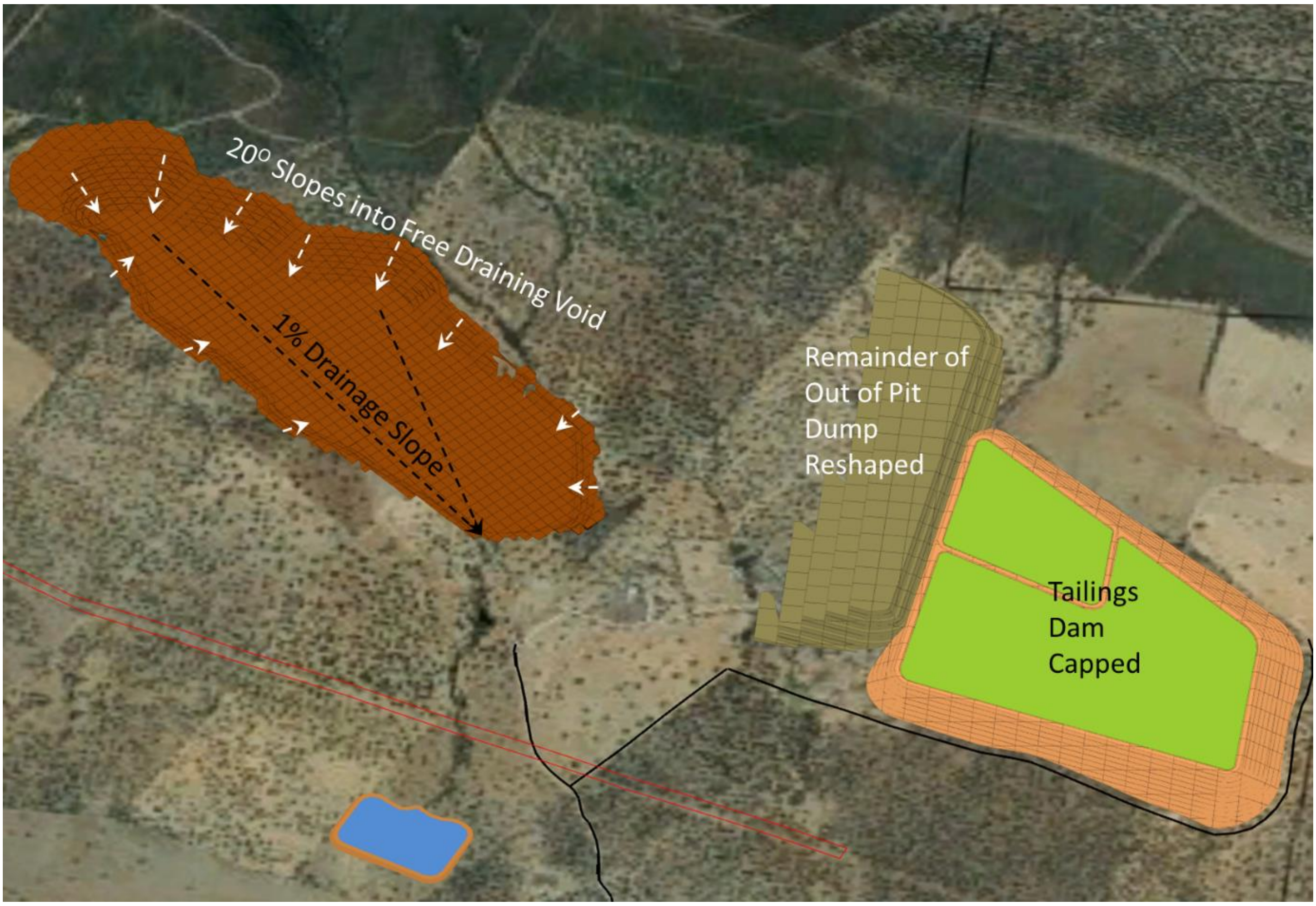


***Figure 12**. Pit Void Backfilled to a Free Draining Landform.*

8.0 MINING SCHEDULE

The aim of mine production scheduling was to generate a sophisticated, lowest-impact, practical and realistically achievable schedule within the applied constraints that:

- Minimising ore and waste haulage
- Meets Process Plant feed requirements.
- Includes ramp-up considerations for mine operations as well as the processing plant.
- Minimising the equipment numbers applied in one area to ensure reasonable vertical advance rates apply.
- Tracks ore quantities and qualities through the multiple processing stages.
- Maximises in-pit waste dumping along with determining the out of pit waste dump volume and pit void backfill quantities.
- Provides all key physical quantities (mining, processing, area disturbed) for financial modelling
- Full alignment with regulatory operating plans

8.1 Equipment Assumptions

The following dig units were used in the schedules:

- 120t (5m^3) Excavator
  - 800t/hr priority ore but can mine waste
- 190t (11m^3) Excavator
  - 1,800t/hr priority waste but can mine ore
- 600t (29m^3) Shovel
  - 4,700t/hr on dump rehandle.

The excavators operate for 5,000 hours per year, whilst the shovel operates for 5,400 hours per year.

The following trucks were used in the schedules:

- 60t Payload – loaded by 120t Excavator.
- 90t Payload – loaded by 190t Excavators.
- 180t Payload – loaded by 600t Shovel.

8.2 US$30k/t Pit Schedule Results

The production schedule shows that mining of the deposit will take at least 13 years with a total ROM ore of 15.5Mt and 136Mt of waste from the pit (average waste to ore strip ratio of 8.8:1).

The total process plant feed is 11.4Mt with an output of 62kt of concentrate containing 39kt of tin metal.

Backfilling of the pit void post-mining will take another 3 years and including Year 0 constructing the processing facilities and first stage of the tailings dam the project life is 16 years.
The following charts and table summarise the schedule results.

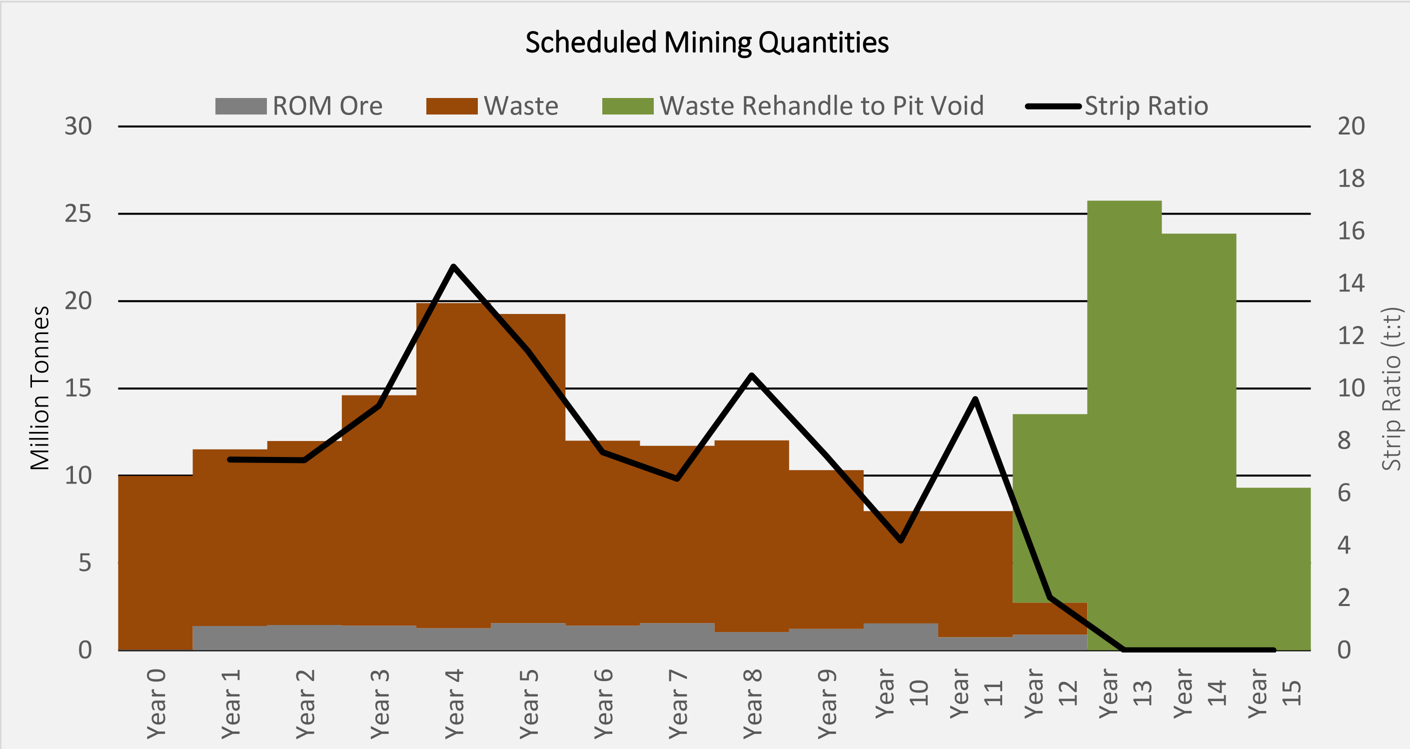


Figure 13. Scheduled Mining Quantities.

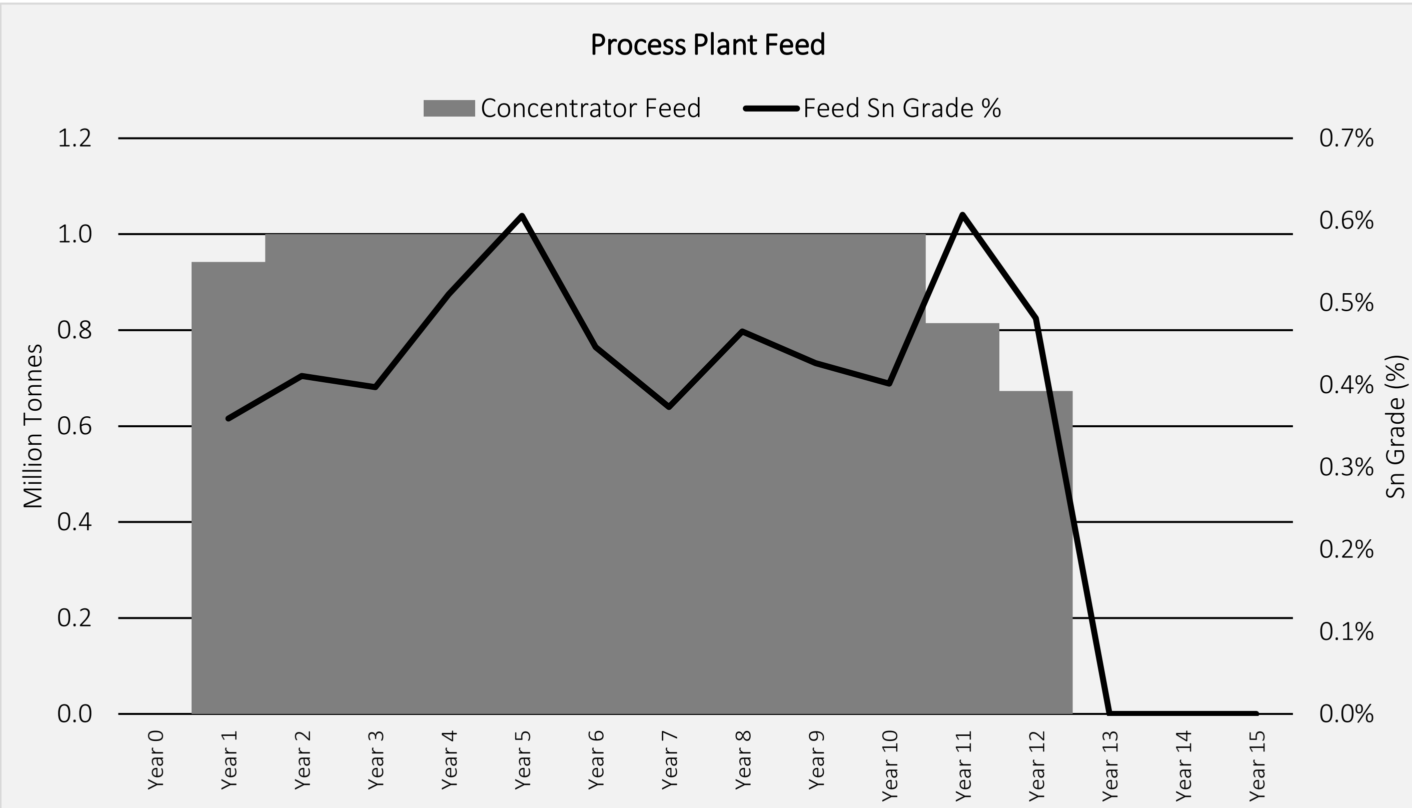


Figure 14. Process Plant Feed

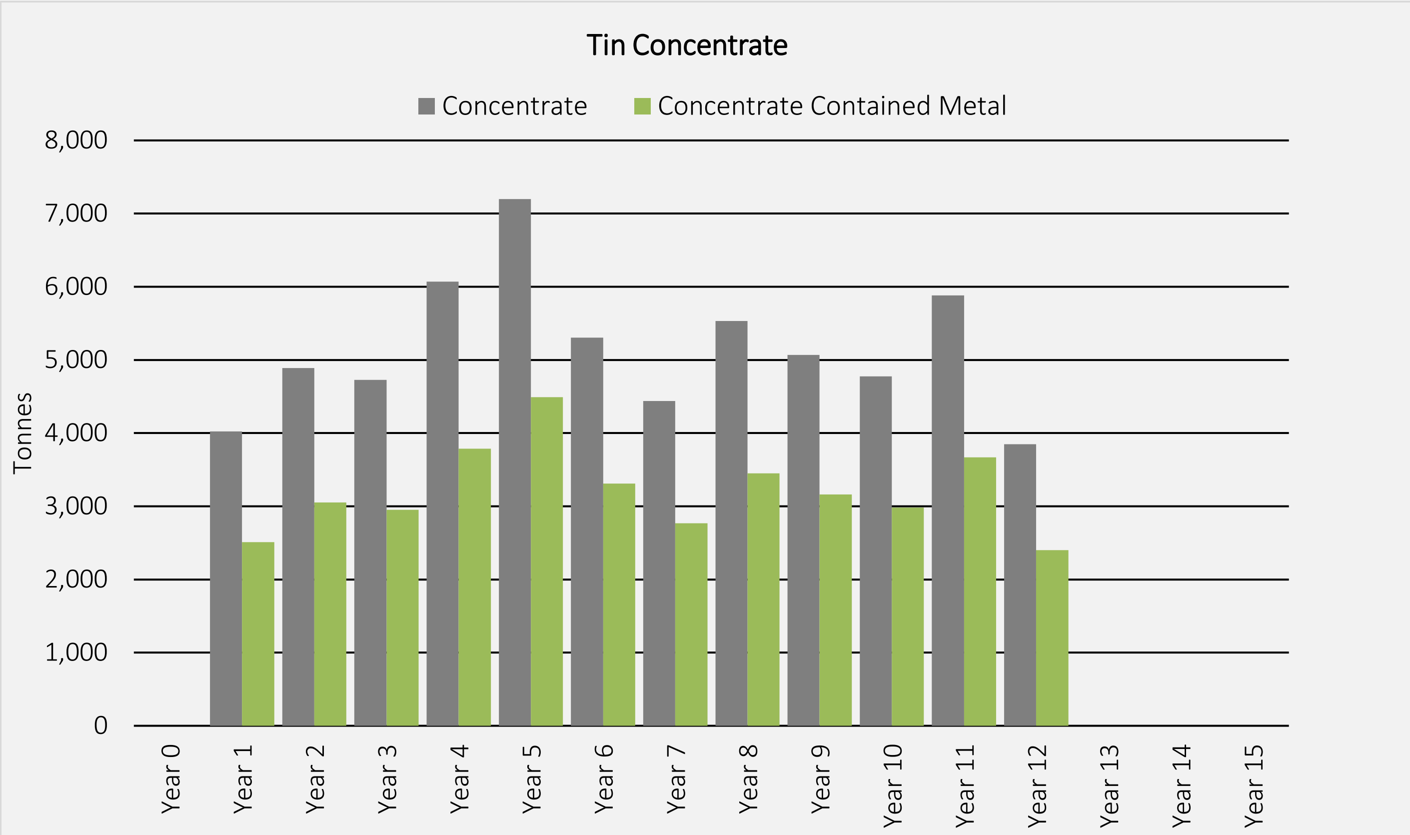


***Figure 15**. Tin Concentrate Tonnage*

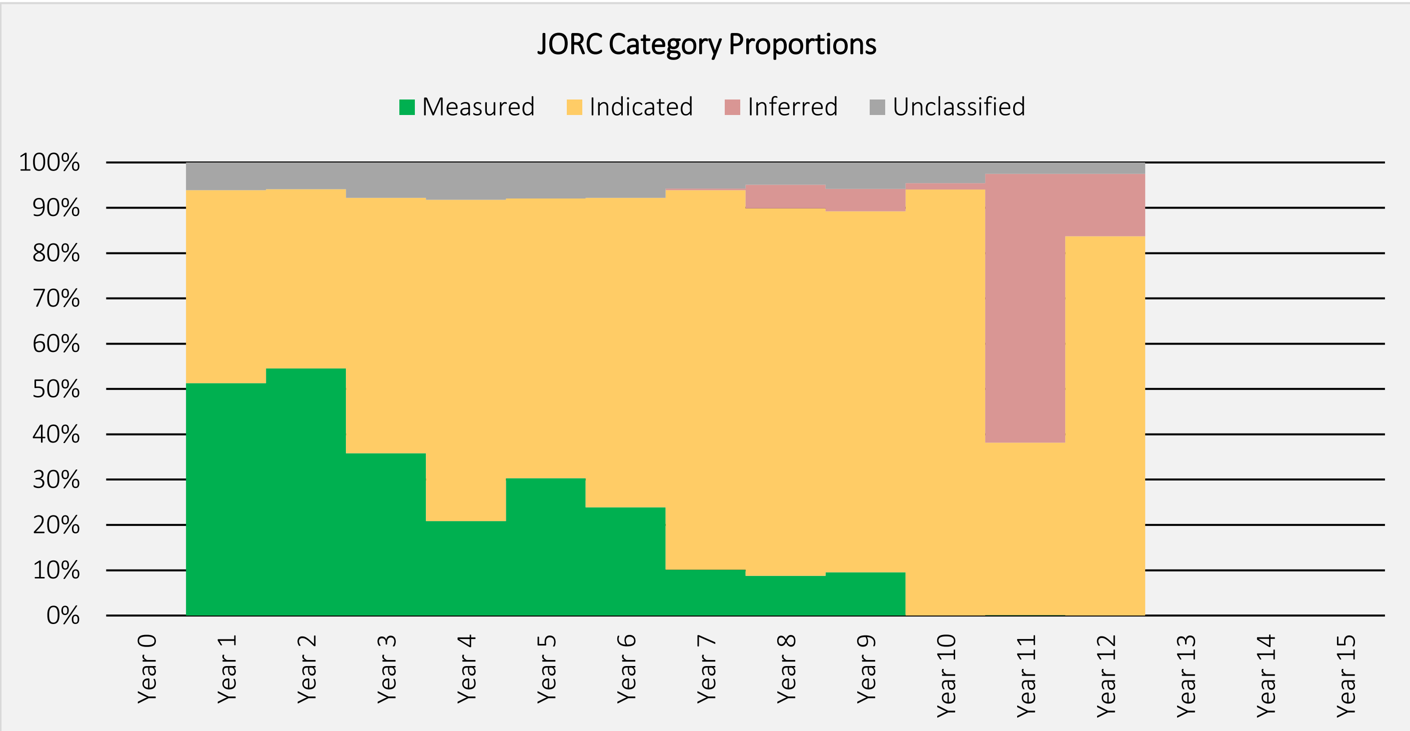


***Figure 16**. JORC Categories in Production Target*

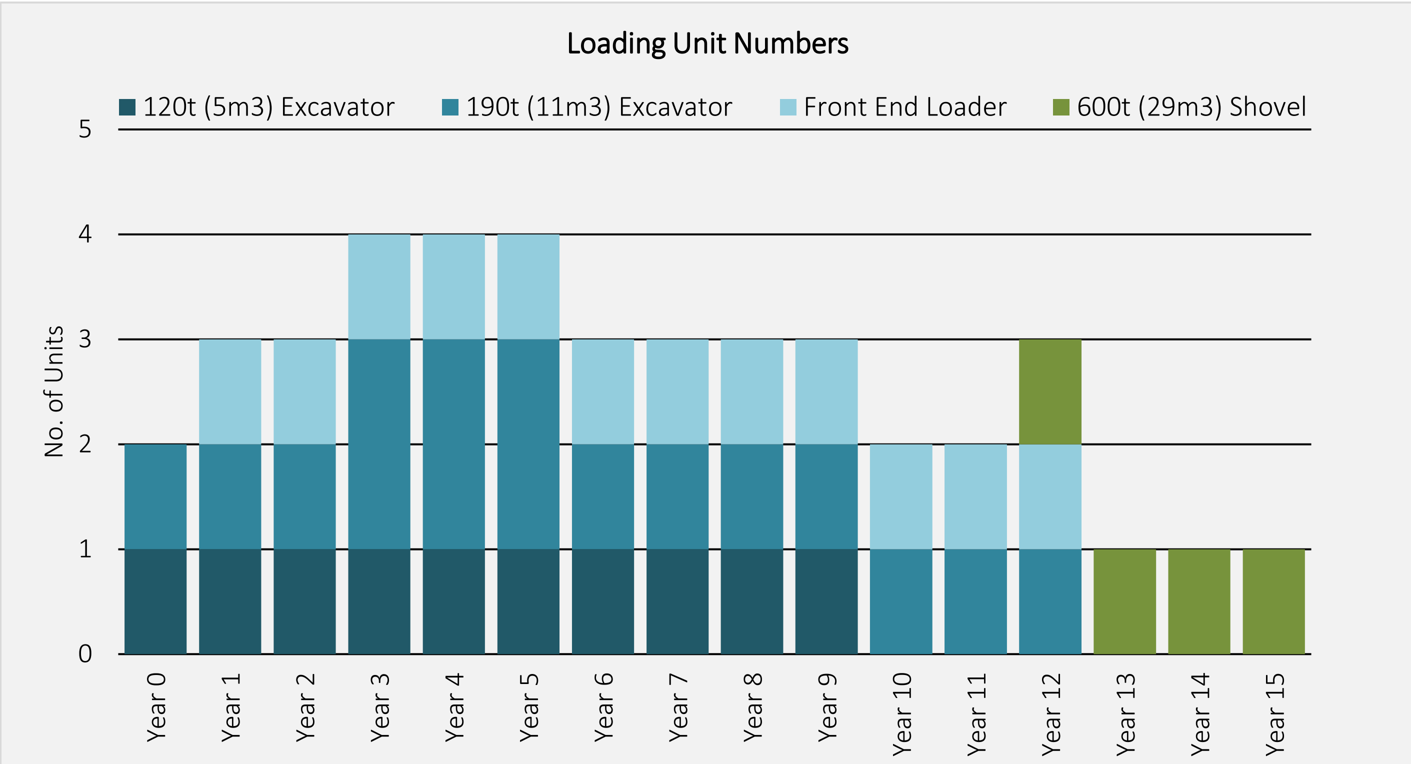


Figure 17. Scheduled Number of Loading Units

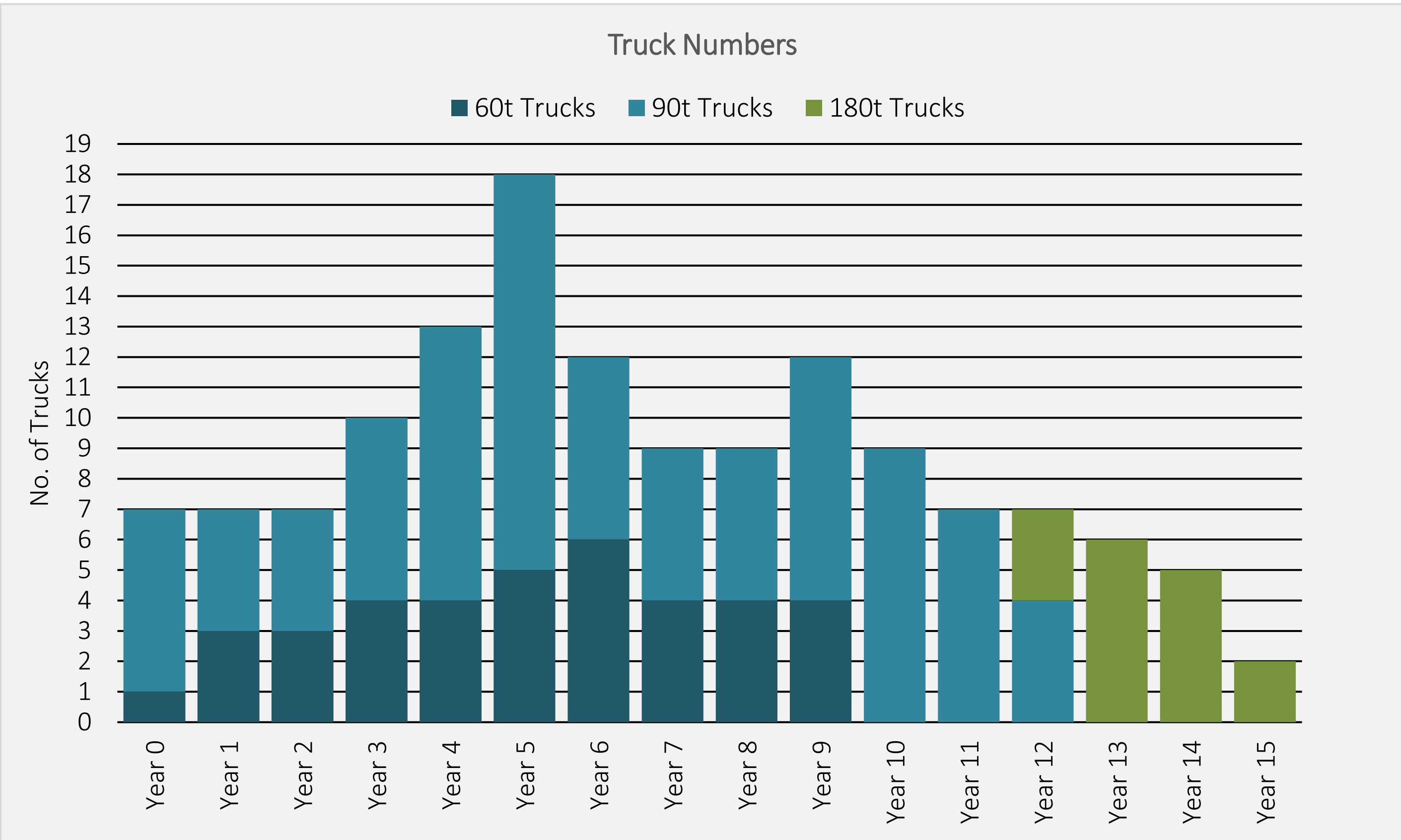


Figure 18. Scheduled Number of Trucks

8.3 Potential Extension of Production Target

With current tin prices at historically high levels, there is the potential for the mining limits to expand beyond the US$30k/t Pit to include the resources within the US$45k Pit, if the economics of the project remain stable. This would add approximately 2Mt of ore to the Production Target. The site infrastructure, tailings dam and out of pit dumps have been located to ensure no sterilisation of the Resource within the higher value pit shell occurs.

Additionally, to avoid the sterilisation of the resource due to backfilling of the pit, a decision on expanding beyond the US$30k/t Pit would need to be made prior to the commencement of in-pit dumping which occurs approximately three years after the start of ore processing (Year 4 of project).

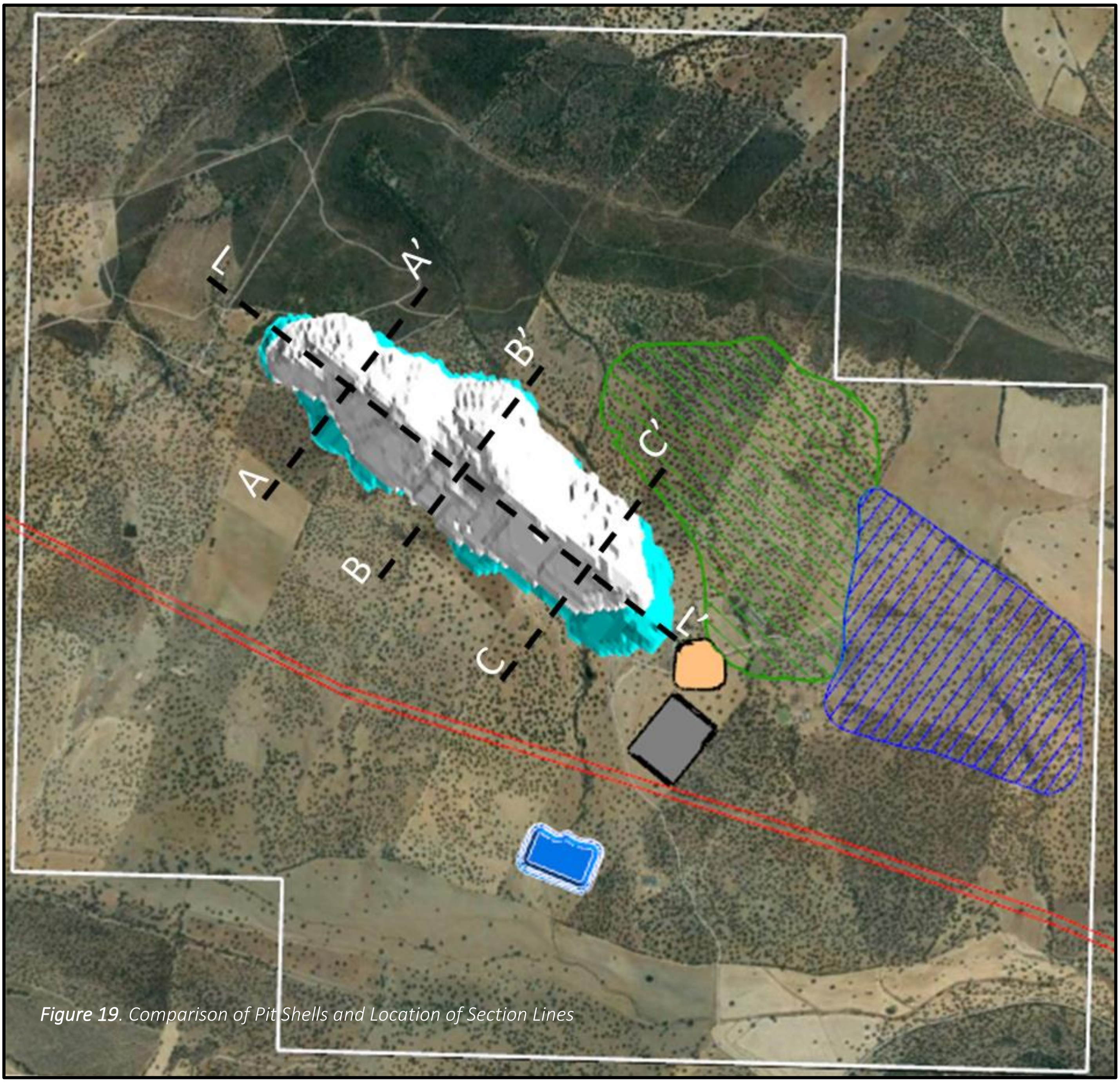


Figure 19. Comparison of Pit Shells and Location of Section Lines

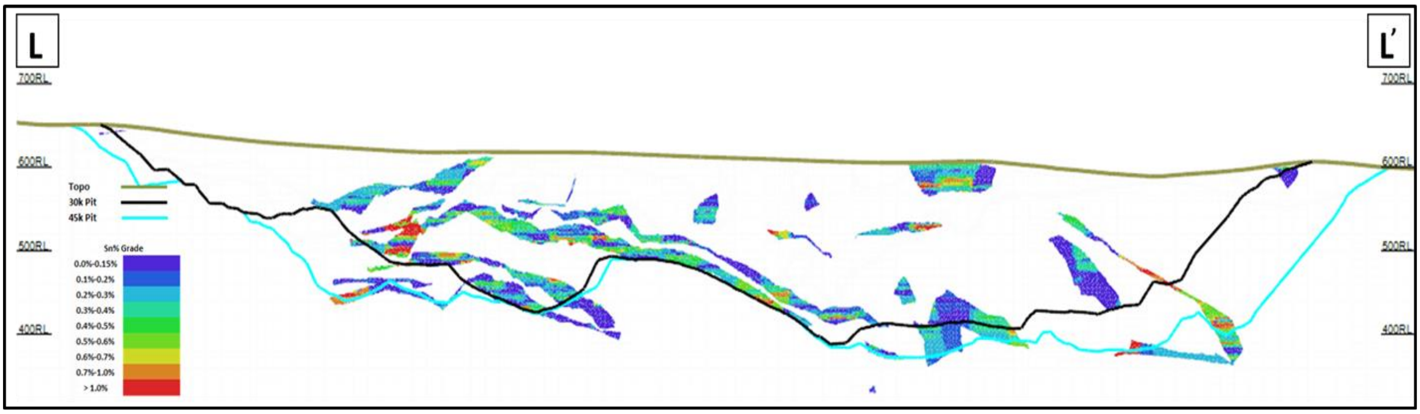


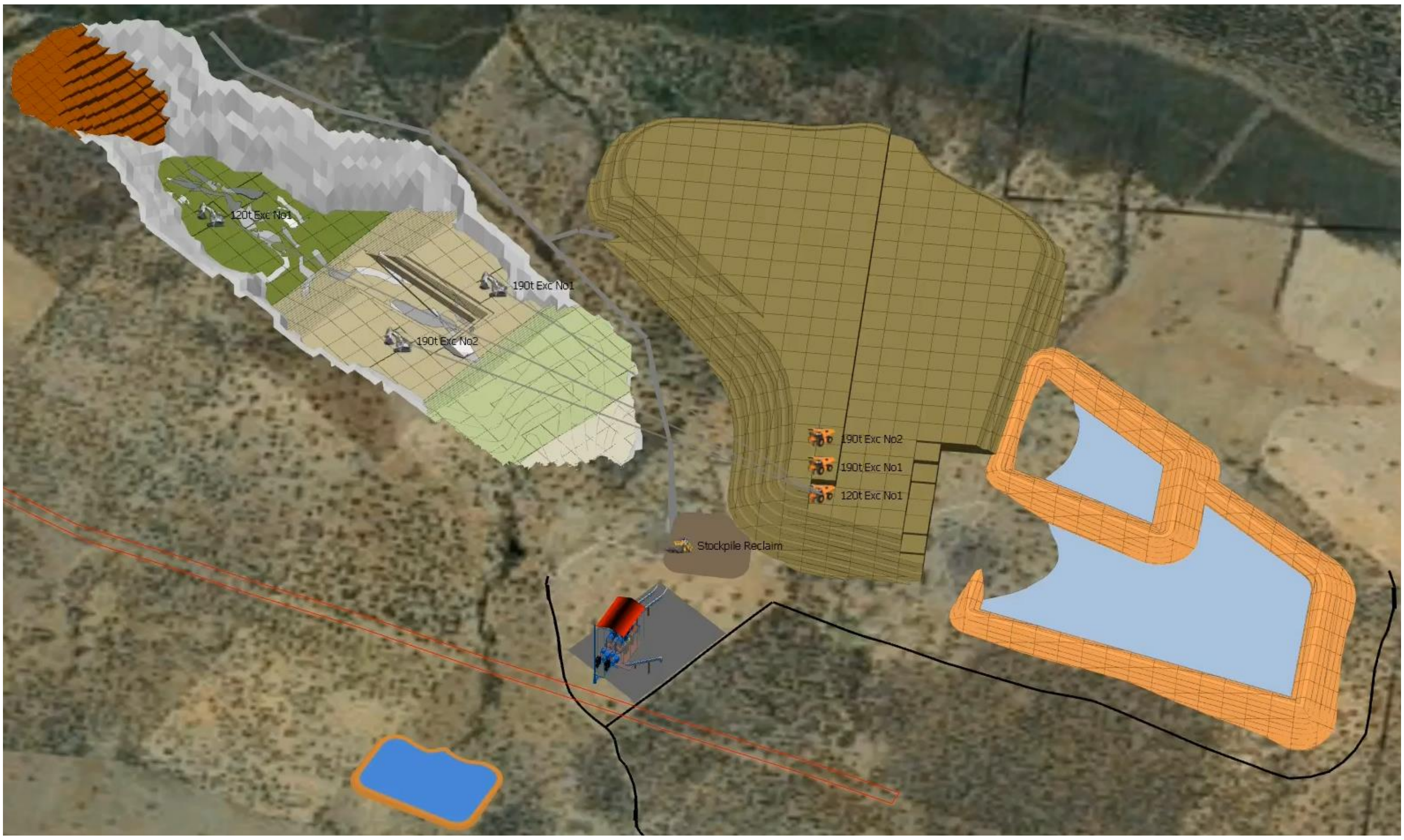
***Figure 20**. Long Section of 30k (black) and 45k (cyan) Pit Shells*

8.4 Mine Life Designs

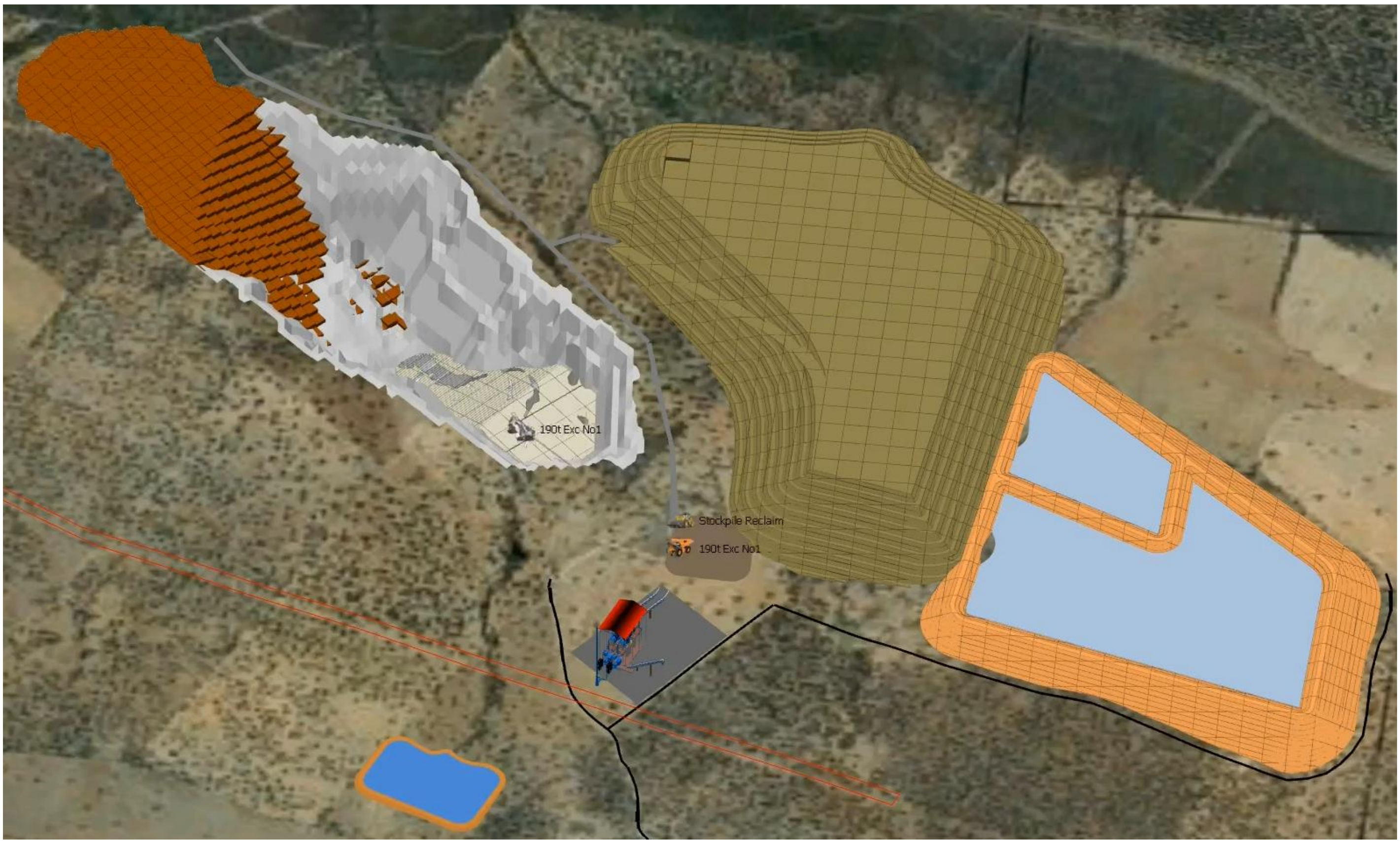
YEAR 0 (Construction) Tailings Dam Construction

YEAR 2 Pit & Dump Development

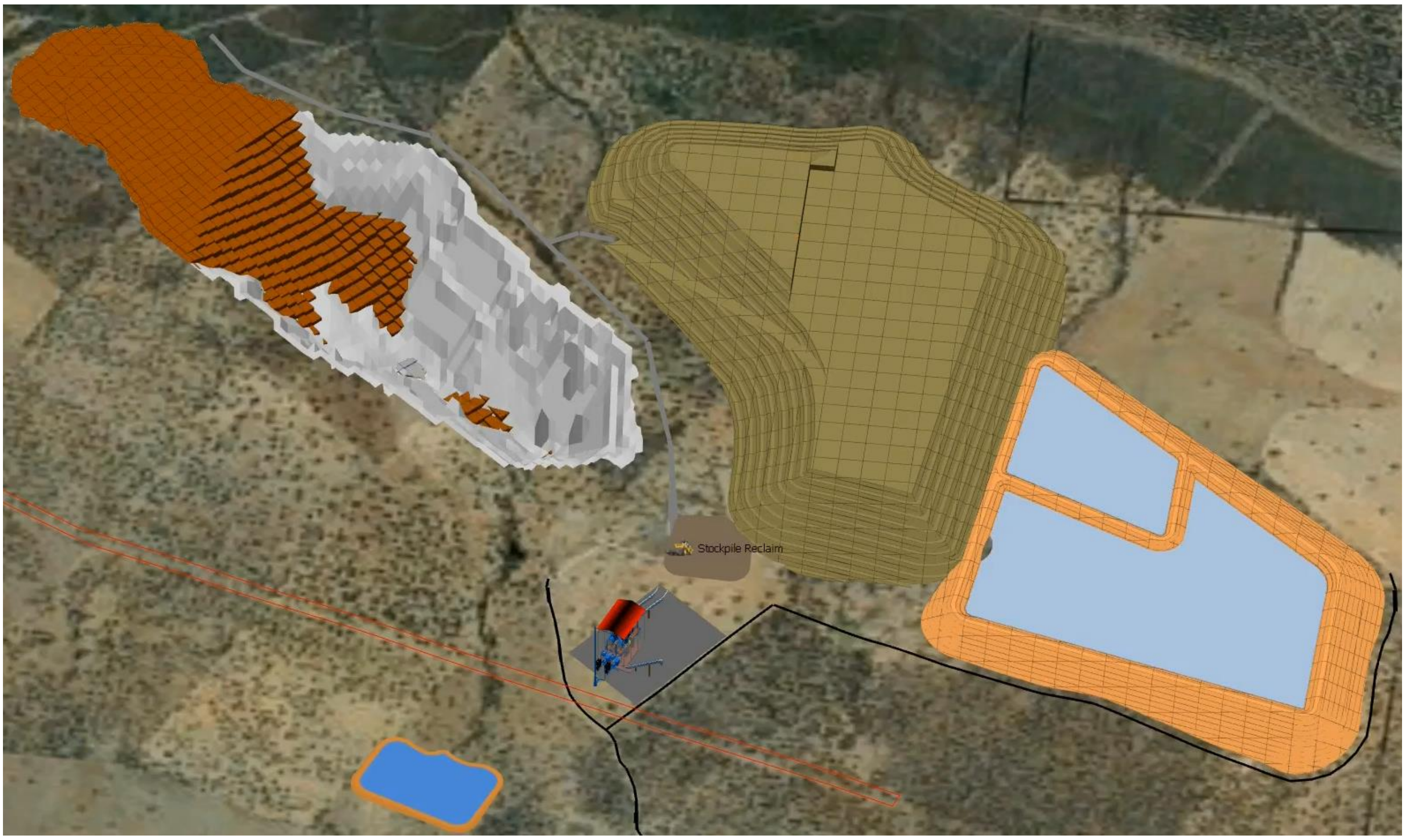
YEAR 4 In pit backfilling begins



YEAR 10 Significant portion of pit backfilled



YEAR 13 Pit and Dumps maximum size



YEAR 15 Final Rehabilitated Design

Figure 21. *Indicative shape of the final landforms (not including removal of infrastructure)*

9.0
PROCESS FLOWSHEET & PLANT DESIGN

The Oropesa Project has been subject to several metallurgical test work and design programs. The mineral treatment plant proposed for Oropesa has been designed to recover tin as cassiterite from an ore that also contains sulphides. The Study proposed the construction of a conventional crushing, ore sorting, grinding, sulphide flotation, gravity separation and tin flotation recovery circuit to produce high-grade tin concentrates for sale to commercial smelters.

9.1 Testwork

9.1.1 Gravity and flotation testwork (2009 - 2013)

SGS Mineral Services UK completed initial test work on the Oropesa project focused on gravimetric separation methods. Test work demonstrated that relatively fine grinding was required to liberate the tin, and due to the presence of sulphides and iron oxide mineralisation, both sulphide and tin flotation would be required. These early conclusions led to an initial programme of sulphide flotation, followed by gravity concentration and tin flotation on the -38 micron gravity tail to produce a tin concentrate. Additional work was carried out on attempts to produce copper and zinc products from the bulk sulphide concentrate, however these were unsuccessful.

9.1.2 Pilot Plant Testing Program (2017, 2018)

In 2017, Wardell Armstrong International Ltd, Truro, United Kingdom, completed a comprehensive pilot plant test work program. The program included crushing, grinding, sulphide flotation, gravity concentration, tin flotation and a final ultra-fine gravity concentration stage.

Approximately 1.7t of PQ diameter core was tested from three metallurgical drill holes with a bulk sample head grade of 0.70% Sn, 10.5% S and 14% Fe. Base metals were minor at 0.10% Cu, 0.047% Pb, and 0.45% Zn, along with minor arsenic at 0.055% As, and silver at 9.8g/t.

9.1.3 TOMRA Pre-Concentration Testwork (2019)

Ore pre-concentration test work has been carried out by TOMRA Sorting Solutions – Mining, at their facilities outside Hamburg, Germany. The selected sensing technique for the material provided from Oropesa was the X-ray transmission sensor (COM Tertiary XRT sorter). The XRT sensor being selected because of the expected atomic density differences between product and waste material.

The results of the TOMRA XRT test program demonstrated the most significant ore upgrade occurs with the 10-25mm particle size fraction. The modelling of the results previously was on a weighted average basis indicated a waste mass rejection of 25%, with a 24% increase in the tin grade of the feed to a processing plant, for a 92% recovery of the contained tin (previously reported on 09 August 2019 - Oropesa TOMRA XRT Ore Sorting – Re-issue). These TOMRA results have been re-assessed for this Study and into regressions based on the Sn feed grade – these equations are displayed in Table 7 below.

No additional metallurgical test work has been finalised or reported on the TOMRA product sample. The Company does have a DFS TOMRA program planned, but European logistical issues have prevented that program from commencing during March 2022. This is due to the overall ore feed grade to the processing plant from the ore pre-concentration circuit being higher than run-of-mine ore feed and taking into account contained tin losses that occur during the multiple sampling phases of the test work process.

Based on the test work results above, the following LOM plant design criteria have been assumed.

Parameter	Units	Value
Ore Sorting annual capacity	Tonnes / year	1,250,000
Process plant annual capacity	Tonnes / year	1,000,000
TOMRA Feed Mass Yield TOMRA tin recovery	y=19.685(Sn Feed) + 0.5858 y=21.131(Sn Feed) + 0.7738	
Process plant tin recovery	74.2%	
Tin concentrate grade	%	62.4%

Table 7. *Process Plant Design Criteria*

9.2 Process Description

SCYPI has designed a process plant with a capacity of 1,250,000tpa of ore feed using conventional gravity and flotation technology based on all finalised and available metallurgical data. The processing plant comprises key areas, including:

- Two-stage crushing (jaw and cone crushing) and screening;
- Ore Sorting XRT ore pre-concentration;
- Ball mill grinding;
- Sulphide flotation;
- Coarse and fine tin gravity separation;
- Tin flotation followed by concentrate dressing utilising ultra-fine gravity processes;
- Concentrate dewatering and drying for shipment; and
- Separation of sulphide and normal tailings, thickening and filtering for storage.

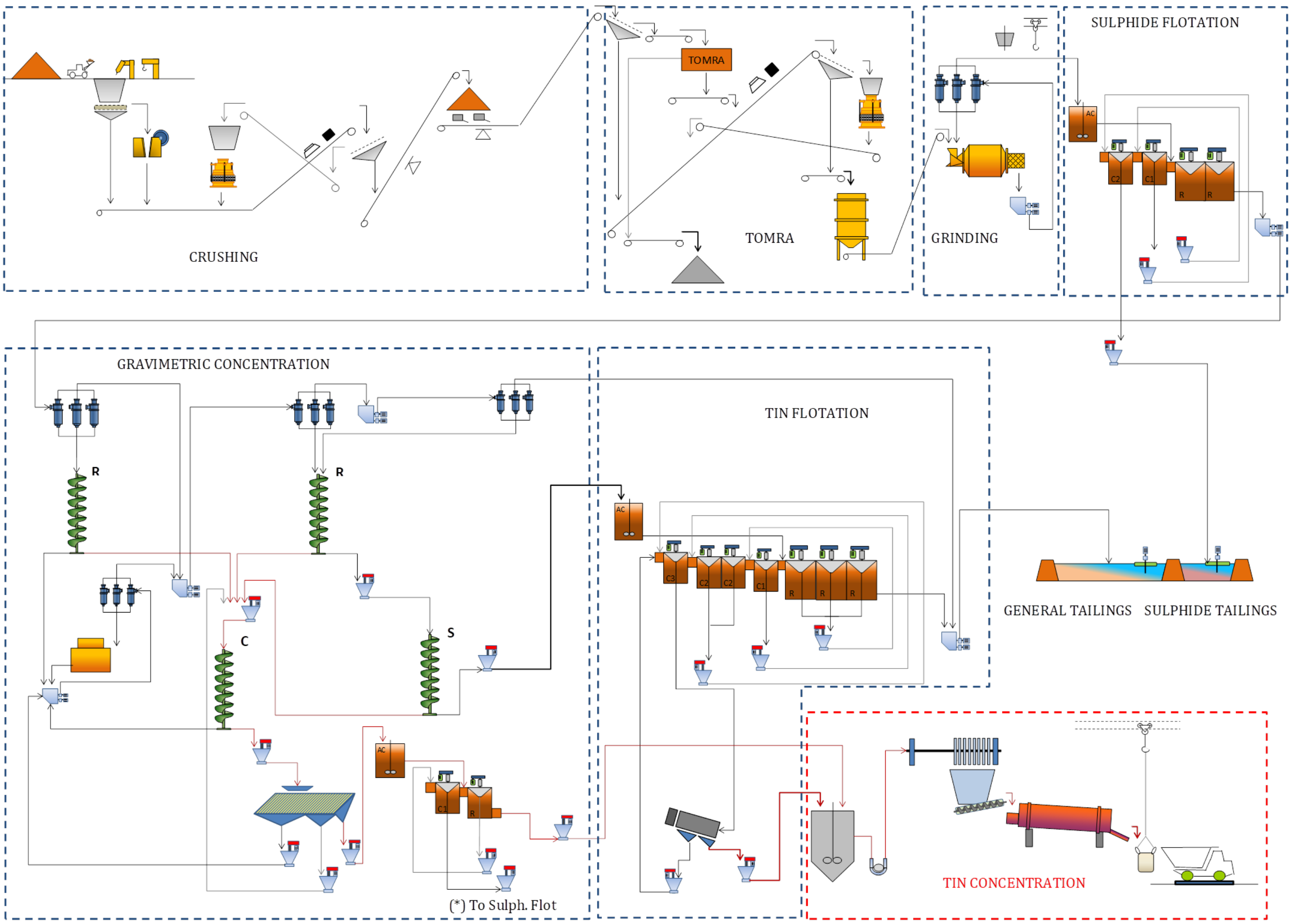


Figure 22. Oropesa Process Flowsheet

10.0 PROJECT INFRASTRUCTURE

The project has a relatively small footprint of 6.5km^2 or 260 hectares. The ore will be mined from a single open pit and one waste pile will be located to the east of the open pit. A collecting pond will be located approximately 400m from the pit to collect run-off water from affected areas, such as the waste rock dumps, tailings dam and water from pit dewatering. The overburden pile will be located close to the waste rock and tailings pile in order to optimise progressive reclamation work.

10.1 Tailings storage facility

Separate sulphide and clean tailings streams will be generated by the processing plant. Both tailings streams will be delivered to purpose-built storage facilities located adjacent to the proposed processing plant, including:

- **Rich Sulphide tailings:** a sulphide rich tail will be generated by the processing plant. The sulphide tail will be deposited in conjunction with sludge generated from the water treatment plant in a dedicated tailings storage facility. The tailings storage will be sub-aqueous to minimise potential oxidation of the tailings and development of acid mine drainage. The sulphide tailings dam will be lined with HDPE to prevent leakage and underdrainage will be installed. Excess water will be recycled for re-use in the processing plant; and

- **Low Sulphide tailings:** low sulphide tailings will be deposited by sub-aerial discharge. The clean tailings dam is expected to be operational for approximately five years, following which it is planned to be replaced by co-disposal of the clean tailings with waste rock from mining operations.

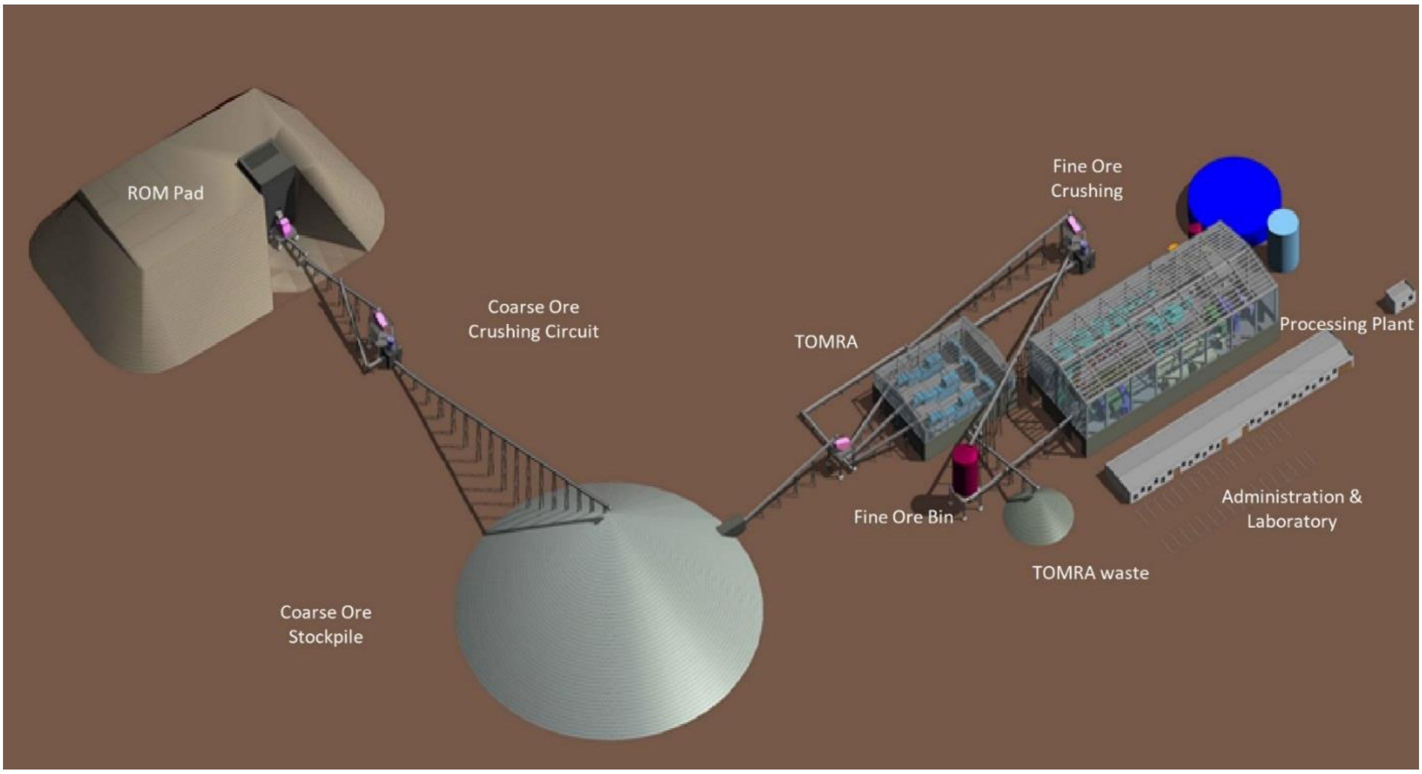


Figure 23. *Processing Plant Layout*

10.2 Water supply and management

The Project will require approximately 230ML of water per annum to support planned operations, principally for the processing operations. These water supply requirements are currently expected to be met by a combination of ground water sources, tailings dam recovery and surface water harvesting. Average annual rainwater capture has been calculated at 245,000m³ per year. The combination of pit de-watering (190,000m³ per year) and rainfall run-off has been calculated as more than sufficient to meet the annual mine requirements.

Water management within the operation will be carried out under conditions where no compromised water shall leave the site without prior treatment suitable for discharge into the natural environment. The mining, processing circuit and infrastructure maintenance systems have been designed in closed circuit, where all the water that is required for the project is recovered and recycled in the operation.

The fresh water supply will be stored within a purpose-built water pond, with approximately 300,000m^3 of capacity. From this pond, fresh water is transferred to the process plant water storage tanks via a water treatment plant. Surplus run-off water from non-affected lands will be collected in drainage canals for the purpose of being diverted to public flow without encountering any mining activities.

10.3 Power supply

Power is required for the processing plant, and ancillary facilities. Total expected power installed capacity is 8.7MW. It is assumed that power is supplied by connection to the local grid which passes through the project site at an estimated price of US$0.09c/kWh. Further evaluation of power supply options is underway as part of DFS – including alternative (non-grid connection) sources. Capital estimates used in this report are from a recently completed project located within the Andalucian Province where the operation was connected to the local power grid.

10.4 Product transport and logistics

The concentrate will likely be shipped in containerised bulky bags by truck to European smelters via rail or port for export. The trucking distance to the container port in Seville is approximately 185km. It is also noted that many traders have indicated their desire to contract to collect the concentrate from the mine gate.

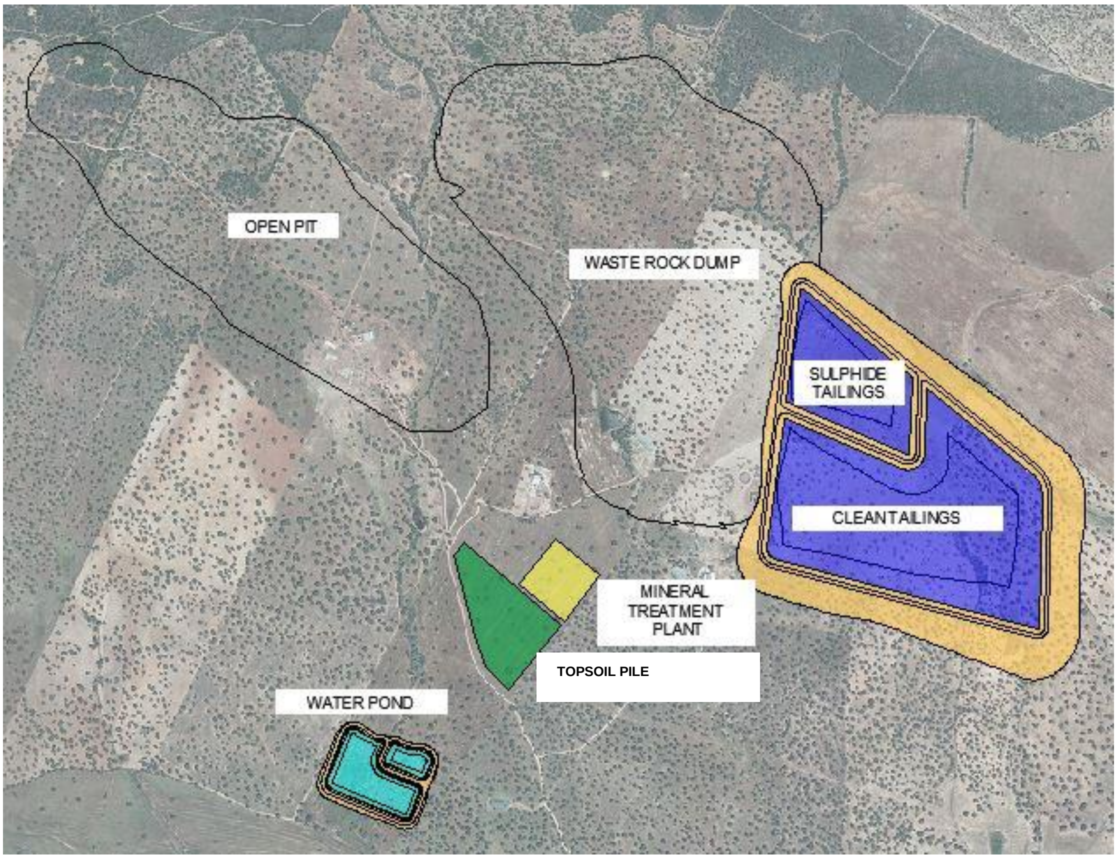


Figure 24. *Project Infrastructure Layout*

11.0 CAPITAL COSTS

The initial capital cost estimate to construct a new 1,000,000tpa process plant, including crushers and ore sorters capable of processing 1,250,000tpa, selected mobile equipment, site infrastructure, and all direct and indirect costs is US$86.0 million. This estimate includes a contingency of 20%. The major capital cost item for the project is the process plant, tailings dam and associated infrastructure. The process plant capital cost contains an estimate of the equipment cost, installation, instrumentation and control, piping, electrical and building costs. The costs are derived from either quotations from vendors and suppliers specifically sought for this project, and in some instances, data sourced from other projects or the SCYPI equipment cost database.

The Study assumes a contract mining model to keep the overall up-front development capital cost as low as possible.

The project's low capital costs are attributable to a range of factors, including:

- Proximity to established infrastructure – power lines, sealed national highways , local water supplies, and skilled local workforce;
- No requirement for on-site infrastructure such as accommodation camps and power plants; and
- A conventional tin concentration production process.

The capital costs presented have been estimated to an overall accuracy of +/-20%, which is a high standard for this level of study, except for the estimate to connect to the existing power grid (no official estimate received at the time of writing). The estimates are real 2022 numbers and exclude any escalation to project commencement or over the LOM.

Owners costs of $4.63 million have been applied for the construction and commissioning period of the project to assist in the design, commission and ramp-up of the project. In addition, a first loads ($0.38 million) and spare parts ($0.58 million) allowance has been provided in the capital cost estimate.

Engineering, Procurement, Construction / Engineering, Procurement, Construction and Management (EPC/EPCM) costs have been estimated at 10% of direct costs which is typical of mining projects of this scale. An overall contingency of 20% of direct and indirect costs has been applied.

Cost area	US$ million
Site preparation	$0.46
Land and general expenses	$2.08
Urbanization and tracks	$3.03
Tailings facilities and water pond	$14.49
Mine waste dumps	$1.20
Open pit mining (including pre-stripping)	$1.73
Auxiliary buildings	$0.45
Auxiliary buildings equipment and furniture	$1.09
Infrastructure	$7.38
Process buildings	$1.74
Equipment	$19.20
Engineering	$2.98
Execution and assembly	$3.31
Assembly and start up staff	$1.44
Spare parts (5%)	$0.58
First loads (3%)	$0.38
Total Direct Costs	$61.55
Owner´s cost (5.2%)	$4.63
Total Direct & In-Direct Costs	$66.18
EPC/EPCM (10%)	$6.62
Contingency (20%)	$13.24
Total	$86.04

Table 8. *Capital cost estimates*

Sustaining costs over the life of the project total approximately US$21.9m.

The project will be progressively rehabilitated during operations with the full Life of Mine rehabilitation costed into the presented cashflow model – aligned with the regulatory submissions. No credit for the sale of process plant or equipment has been estimated.

12.0 OPERATING COSTS

The summary of the build-up of the unit rates for the Study have been presented in Table-9. The operating cost section provides a summary of the key operating costs elements for the project, as well as the reported cost outputs from the modelling.

The majority of the C1 life of mine costs are associated with the mining operations (42%), ore sorting and processing plant facilities (25%), rehabilitation and closure (16%) and the balance of the costs (17%) is attributable to vendor royalties, concentrate transportation, administration and marketing costs.

ELT has obtained mining costs from contractor quotations for major rates, with minor rates being built up from known industry benchmarks. The mining costs are based on contractor rates for the major mining equipment to significantly reduce the initial capital expenditure of the project and the mature and competitive Spanish contractor market.

Input	Units	Value
Topsoil Stripping and Management	US$/bcm	$3.24
Waste Mining (incl D&B) < 1km Haul	US$/Waste t	$1.60
Ore Mining (incl D&B) < 1km Haul	US$/Ore t	$1.87
Additional Cost for Haulage > 1km	US$/t/100m	$0.018
Pit Dewatering	US$/t/70m depth	$0.074
Grade Control Drilling	US$/Ore t	$0.165
Ore Sorting Cost	US$/Feed t	$0.78
Ore Sorting Rejects Disposal	US$/Rejects t	$1.05
Stockpile Rehandle Costs	US$/Ore t	$0.89

Table 9. Key Mining & Ore Sorting Unit Rates

Spanish processing consultant SCYPI has established the processing operating costs based on processing 2,050t per day of ore and based on budgetary quotations. The process operating costs consist of manpower, energy, consumables, reagents, spares and others required for operation of the mineral processing plant.

Process Plant Cost Breakdown	Units	Value
Plant Fixed Costs	**US$Mpa**	**$3.25**
Plant Variable Costs	**US$/Feed t**	**$10.17**
Energy consumption	US$/Feed t	$3.06
Grinding media consumption	US$/Feed t	$2.26
Reagents	US$/Feed t	$3.34
Fuel	US$/Feed t	$0.09
Concentrate distribution	US$/Feed t	$0.36
Operating material	US$/Feed t	$0.62
Repair material	US$/Feed t	$0.25
Laboratory consumables	US$/Feed t	$0.19

Table 10. Processing Plant Operating Costs

Other Key Project Costs include:

- G&A Costs are set at 7.5% total opex
- Product transport costs applied at a nominal cost of US$100/t of concentrate, covering trucking and rail to smelters within Europe (or shipping to Asia).
- Total opex contingency costs of 5% are in addition to contingency build into many of the unit rates.
- A Net Smelter Royalty (non-government, SPIB Royalty) is payable at 1.35%.

End of Mine Life Rehabilitation Cost are summarised in Table 11:

Input	Units	Value
IPD Dozer Push Cost	US$/t	$0.38
OPD Rehandle Cost <1km haul	US$/Waste t	$1.08
Haulage >1km	US$/t/100m	$0.018
Average Rehabilitation of Disturbance Areas	US$/Ha	$53.1k/Ha
Decommissioning of Plant & Infrastructure (end of life)	US$M	$1.16M

Table 11. *Additional Rehabilitation Unit Rates*

Total average life-of-mine All-in-sustaining cost is US$18,607/t of Sn metal. The table 12 below summarises the average Life of Mine major cost reporting outputs:

Cost Area	US$ million	US$/tonne ROM Ore	US$/tonne Sn Conc.	US$/tonne Sn Metal
Clearing, Topsoil & Mining Preparation	$6,953,163	$0.45	$113	$180
Mining	$284,001,358	$18.29	$4,599	$7,369
Processing	$172,341,454	$11.10	$2,791	$4,472
Rehabilitation, Closure & Decommissioning	$106,035,451	$6.83	$1,717	$2,751
Other Costs	$76,667,128	$4.94	$1,241	$1,989
Operating cost contingency	$32,299,928	$2.08	$523	$838
Total C1 Cash Operating Costs	$678,298,482	$43.69	$10,983	$17,601
Depreciation and amortisation	$133,600,667	$8.60	$2,163	$3,467
Total C2 Cash Operating Costs	$811,899,149	$52.29	$13,146	$21,068
Royalties	$16,901,220	$1.09	$274	$439
Total C3 Cash Operating Costs	$828,800,369	$53.38	$13,420	$21,506
All In Sustaining Cost (AISC)	$717,067,871	$46.18	$11,611	$18,607

Table 12. *Total Operating Costs*

Notes to Table 12:

i. C1 Cash Cost is the sum of clearing, mining, ore sorting & processing, G&A, Freight and off-site smelting
ii. C2 Cash Cost is the sum of C1 Cash Cost plus depreciation/amortization and royalties
iii. C3 cash costs is the C2 cash cost plus royalty
iv. AISC is C1 + Royalties + Sustaining Capital

13.0 PRODUCT MARKETING

13.1 Concentrate Quality

Oropesa is expected to produce a high quality, low lead, low iron, tin concentrate (containing 62% tin). The previous test work has produced a concentrate that has a slightly elevated level of lead, sulphur and iron due to galena and siderite in the concentrate. The recommendation was to add a cleaner sulphide flotation cell to the gravity concentrate to remove the sulphides (including minor % of stannite). These options have been included into the DFS metallurgical study test work program, which is currently underway at the Wardell Armstrong laboratories (Cornwall, UK). These tests have not yet been completed at the time of this report but will be incorporated into the DFS study.

13.2 Tin Market Overview

The International Tin Association (ITA), Q3-2021 said tin has grown from experienced relatively stable production growth (1.8%) from a handful of significant miners and smelters to a material increase in demand growth (3-4%pa) driven largely by increased use of tin solder in electronic applications. The metal has been in deficit for four years and this deficit is forecast to expand with supply unable to meet forecast demand.

Primary uses of tin include:

- Solder (51%) - Tin is the primary component of both leaded and lead-free varieties of solder used in electronics and continues to be the top use for the metal, representing approximately half of global consumption.

Source: 1ITA (International Tin Association) Seminar 2021

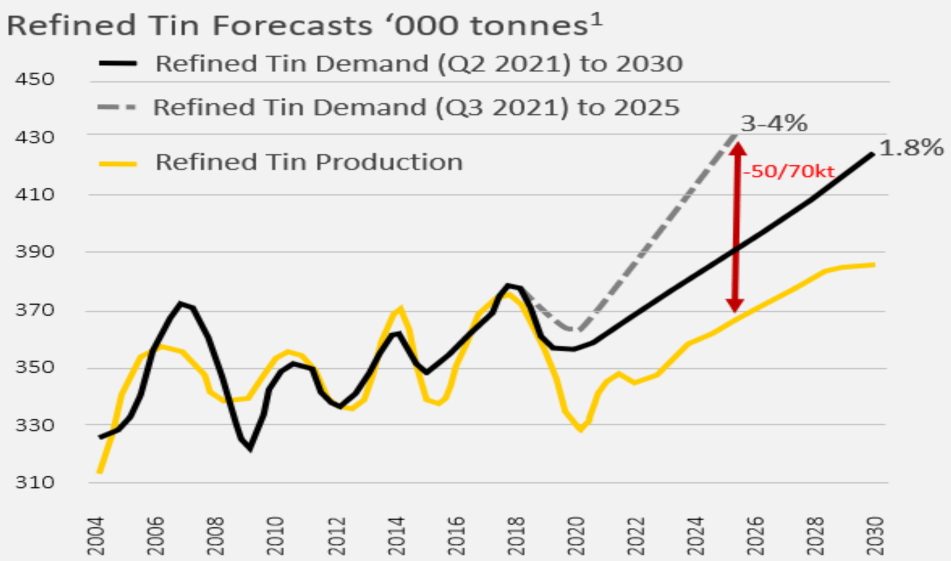


Figure 25. *Tin supply and demand forecast with the forecast 2025 shortfall highlighted*

- Chemicals (17%) - Tin use in chemicals overtook tinplate as the second largest tin application in 2019 and continues to grow in this respect. Important chemical applications of tin include PVC stabilisers, polyurethane foam manufacture and glass coatings;
- Tin Plating (12%) - remained the third largest application for tin in 2020, flattening the long-term trend of slow decline in the sub-sector. The long-term outlook for tinplate is now flat due to expected continuation of lower tin coating weights and competition from alternative packaging; and
- Remaining (20%) - Other uses of tin, are dominated by lead acid batteries and usage in copper alloys, with minor applications also in tin powders, wine capsules, tinned wire, and pewter.

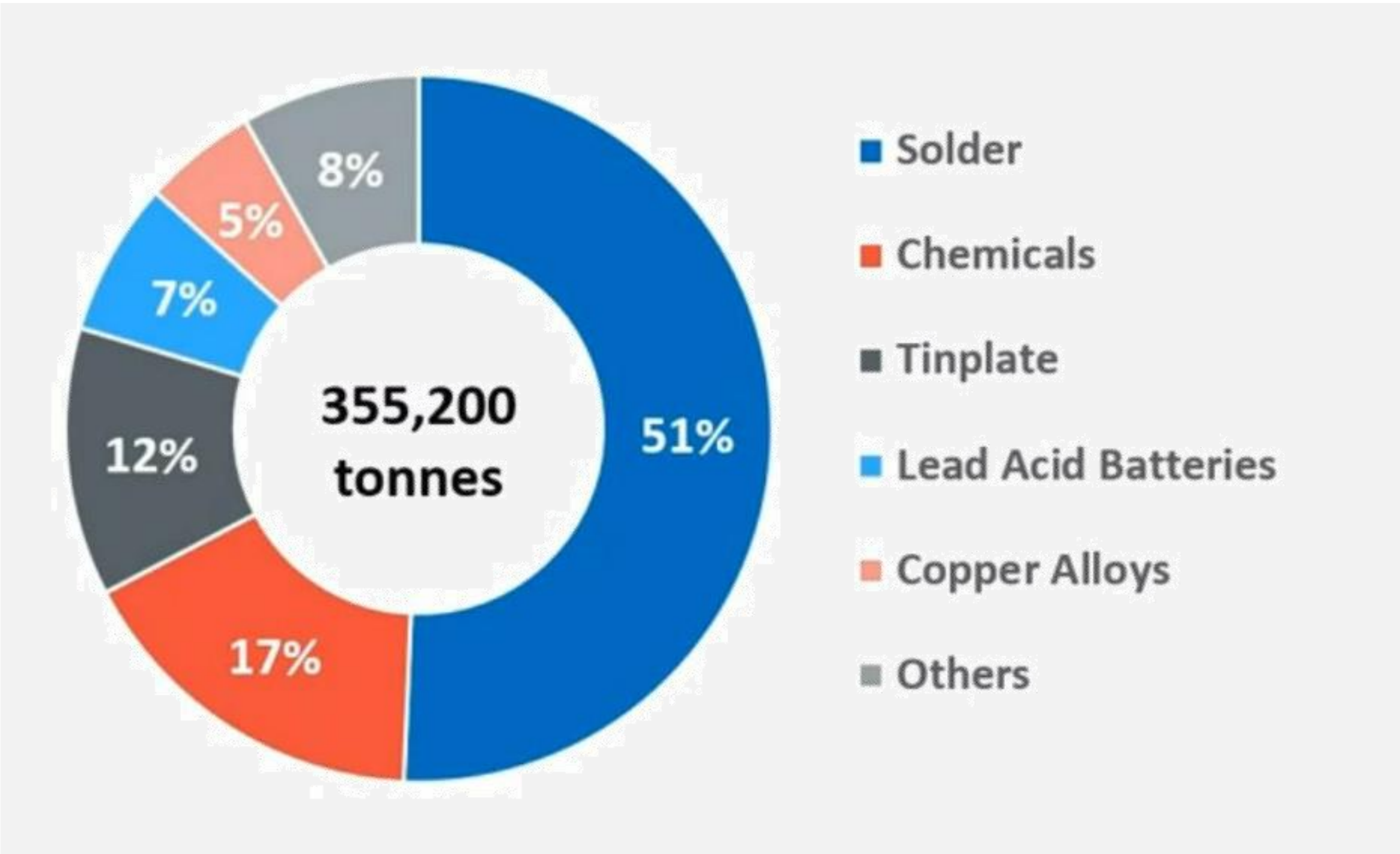


Figure 26. *ITA 2020 Tin Use Data*

Primary mined tin supply is dominated by China and Indonesia while refined tin production is derived from China, Indonesia and Malaysia. Annual refined tin supply has been relatively stable for at least a decade hovering between 330ktpa to 370ktpa. The Major tin producers are showing a strain to maintain current production levels.

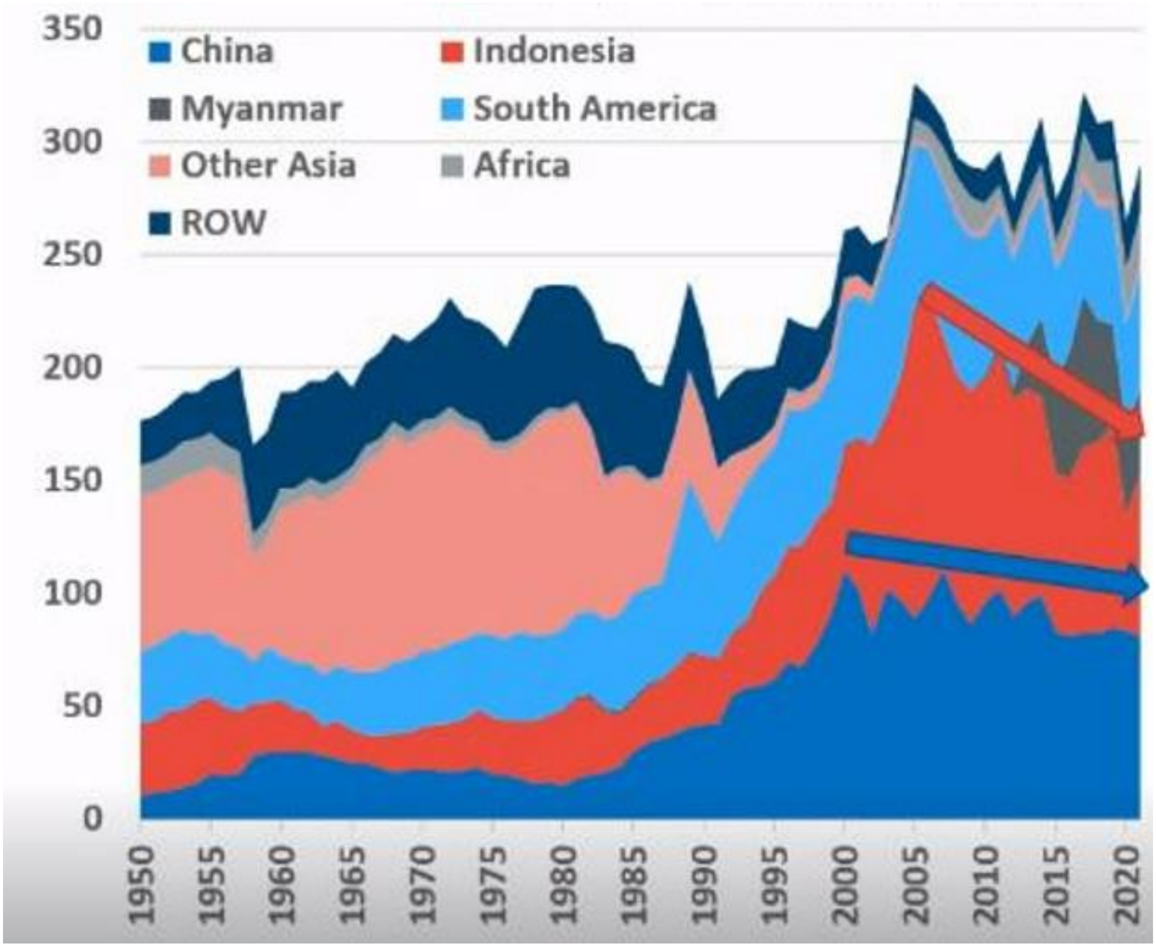


Figure 27. *Existing Producers Stalling Tin-in-Concentrate '000 tonnes*

13.3 Long Term Tin Price Assumption

The tin price, both on the London Metals Exchange (LME) and Shanghai Futures Exchange (SHFE), has risen significantly over the past two years, since the previous Oropesa Updated Economic Study in May 2020.

For the purposes of the pit shell development and financial modelling, Elementos has settled on using an assumed long-term base-case tin price revenue assumption of US$32,500/t (real,2022). This conservative price (compared to current spot market prices) should ensure the study remains robust throughout the commodity cycle. The company believes that the ability to sensitise this long-term price assumption in the financial outputs gives investors a good chance to assess the economics of the project at various other tin prices – and that this is sufficient for the scoping study.

The publicly available cash tin prices were as follows at the date of this study:

- LME Tin Price US$42,650/t (25th March 2022), +32% Premium to Long-Term Study assumption
- SHFE Tin Price US$54,000/t (25th March 2022), +66 % Premium to Long-Term Study assumption

The International Tin Association (ITA) has recently publicly acknowledged that its assumed pricing is over US$30k/t

- "US$30-40k/t likely over next 5 years" https://www.youtube.com/watch?v=jFAv6FK8SVw
- "US$27-35k/t range you need to really incentivize new supply" https://www.youtube.com/watch?v=jFAv6FK8SVw

In addition, financial software sources have confirmed that tin commodity forecasters have increased their views for the tin price to over US$32k/t, including (but not limited to):

- Fitch Solutions Forecasts, Capital Economics Ltd, Intesa Sanpaolo SpA, Commerzbank AG, Emirates, Market Risk Advisory Co. Ltd

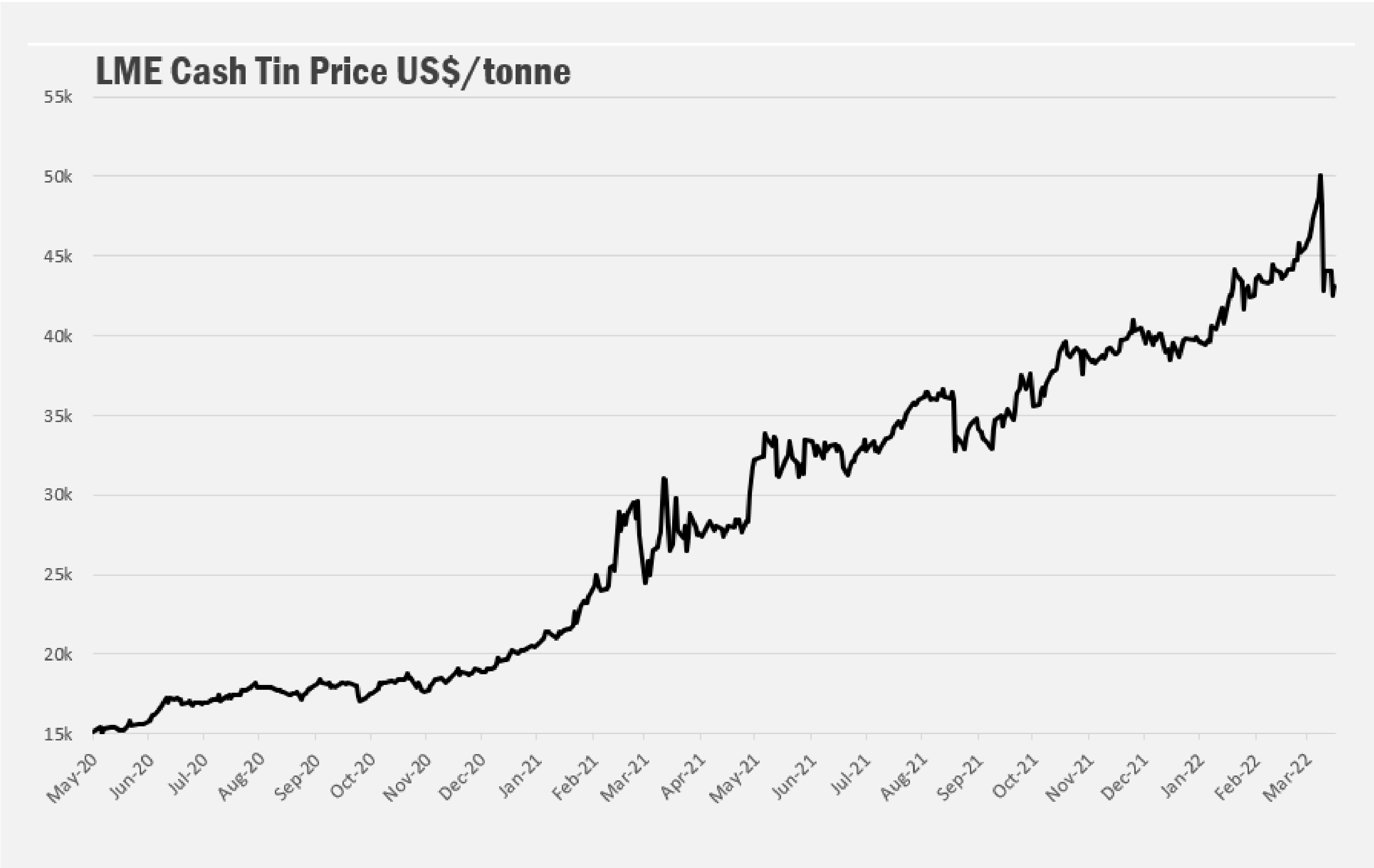


Figure 28. LME Tin Cash Price May 2020 to March 2022

14.0 PROJECT ECONOMICS

An economic valuation was undertaken utilising the physical mining schedule and capital and operating cost parameters detailed throughout this Study. A project (100% ownership) financial model was constructed utilising an annual discounted cashflow methodology to arrive at a project based Net Present Value (NPV, IRR) for the project in real terms, and on a pre and post-tax basis. the summary results are outlined in Table 13.

Description	Units	Results
Average annual ore mined	Tonnes	1,250,000
Average annual ore sorter feed	Tonnes	1,250,000
Average annual plant feed	Tonnes	1,000,000
Average annual tin concentrate production	Tonnes	5,400
Average annual tin metal production	Tonnes	3,350
Life-of-mine	Years	13
Average tin price	US$/t real	32,500
Pre-production capital expenditure	US$M	86.0
Total life-of-mine revenue	US$M	1,242
Total life-of-mine EBITDA	US$M	523
All-in-sustaining cash costs	US$/t metal	18,607
Net Present value (8%, pre-tax, real)	US$M	219
Internal Rate of Return (pre-tax, real)	%	46
Net Present value (8%, after-tax, real)	US$ million	149
Internal Rate of Return (after-tax, real)	%	38
Project capital pay-back period (pre-tax from mine start)	Months	30

Table 13. Summary of Key Operational and Financial Information (Forecast Numbers are Approximate)

The Study conservatively demonstrates the strong economic case to continue the development of the project and provide robust returns to shareholders throughout the commodity price cycle.

Other financial and revenue supporting assumptions, include:

- Tin treatment charges – through a market soft sounding, Elementos has received indicative non-binding terms for its concentrate from several traders and smelters to establish indicative net smelter results and average metal payable values for the financial model. Concentrate treatment charges of US$450/t have been applied;
- Exchange rates - An exchange rate of 1.10 USD per Euro was used to convert the Euro costs into USD currency. The sensitivity of the base case financial results to variations in the exchange rate was examined;
- Corporate tax - The Spanish tax system applicable to Mineral Resource Income is used to assess the project's annual tax liabilities. This consists of federal tax applicable over the project's operating life of 25%;
- Discount rate – a discount rate of 8% has been applied for the NPV calculation; and
- Inflation – All the forecasts within the financial analysis are on a real basis, i.e., with no inflation adjustments.
- Conservative approaches to deprecation (Tax 10yr, Accounting 12yr) and starting tax loss position ($0) have been assumed for the scoping study.
- No bonding has been modelled for environmental or regulatory purposes

Sensitivity analysis was undertaken on metal prices, discount rate, operating costs and capital expenditure. The charts demonstrate the sensitivity of the key value drivers and leverage to variations in metal prices.

NPV Sensitivity Table US$

INPUT	(30%)	(20%)	(10%)	-	10%	20%	30%
CAPEX	247,431,191	238,004,585	228,577,979	219,151,373	209,724,767	200,298,161	190,871,555
Tin price	7,355,997	77,954,456	148,552,914	219,151,373	289,749,831	360,348,290	430,946,749
Mining costs	298,484,067	272,039,836	245,595,604	219,151,373	192,707,141	166,262,910	139,818,678
Processing costs	249,727,978	239,535,776	229,343,574	219,151,373	208,959,171	198,766,970	188,574,768

Table 14. *Real NPV (Pre-tax) Sensitivity Table (US$m), 100% Project Basis*

IRR Sensitivity Table (%)

INPUT	(20%)	(20%)	(10%)	-	10%	20%	30%
CAPEX	62%	56%	50%	46%	42%	38%	35%
Tin Price	10%	25%	36%	46%	54%	63%	71%
Mining costs	71%	61%	53%	46%	39%	34%	29%
Processing costs	50%	48%	47%	46%	44%	43%	41%

Table 15. *Real IRR (Pre-Tax) Sensitivity Table, 100% Project Basis*

15.0 REASONABLE BASIS FOR FUNDING

To achieve the range of potential outcomes described in this Study will require pre-FID investment into the project including drilling, DFS and other development workstreams.

The last published financial data (31-Dec-21) confirms that Elementos held $3.9m of cash and no debt. In addition, at the time of this report being finalised, Elementos has greater than A$6m of funding that is likely to be achieved (though never guaranteed), via share options which were issued to sophisticated shareholders during the past two capital raises.

There is no certainty that Elementos will be able to source either pre-FID or further project development funding when required. It is also the potential that such funding could be materially dilutive or otherwise available on terms that have a negative impact on Elementos' shares or its equity participation in the project.

The Oropesa Project is one of the few open-cut tin projects in the world, and should be the largest in Europe, which should – as evidenced by conversations to date - make it attractive to institutional, strategic, offtake and private equity investors.

As such, Elementos believes that several different steps could be considered to fund the next stages of development, including:

- Continuing to raise further development capital through the equity market via private placements and/or rights issues to existing shareholders.
- Identifying a suitable strategic joint venture partner to invest directly into the project.
- Project Finance Loans or mezzanine equity facilities.

Elementos currently owns 100% (96% effective) of the project, with the original vendor of the asset having a right to convert to 4% ownership on a decision to mine, which has a small NSR royalty of 1.35%, no offtakes, no debt and no encumbrances.

Elementos has a relatively simple, clean corporate and capital structure, with a defined project subsidiary. These are all factors that ensure the project is highly attractive to equity investors, potential strategic investors, offtake partners and debt providers. This should provide Elementos some flexibility in engagement with potential investors and partners.

The Elementos board and management team have a broad experience in the resources and finance industries and have played leading roles in the exploration, development, delivery and funding of resources projects.

Whilst the Elementos board believes it has a reasonable basis to believe that funding will be available as required, there is no guarantee that the requisite funding for the project will be secured.

16.0 ENVIRONMENT & SOCIAL

16.1 Environment

In January 2018, an Environmental Impact Assessment (EIA) was lodged by Eurotin with the Junta de Andalucía as part of the conditions of applying for an Exploitation Licence for the Oropesa Tin Project. In March 2019, the Andalucian Ministry of Agriculture, Fisheries, Livestock and Sustainable Development (Junta) notified Elementos of some improvements and modifications that were required to the Exploitation Licence application and Environmental Impact Study, including:

- Reduce the size of the project footprint to limit the overall impact of the project on the environment;
- Develop a detailed waste management plan for mine waste rock and tailings. This includes specific plans for the potential of waste material to generate acid during rainfall events;
- More specific details on options for a closeout plan, with reference to the ratio of transplanted mature oak trees to new trees planted; and
- The proposed mining operation is within a conservation zone (ZEPA) that has a specific conservation program for steppe birds. The project area is located on agricultural land that is used for grazing and cropping, however there are specific bird species that have adapted to the altered environment (man-made) that are found within the project area. The original EIA did not provide sufficient ecological data on a particular steppe bird to allow the formulation of a management plan that was acceptable to the Ministry. A revised ecosystem study designed to fulfil the requests of the Junta has commenced.

Global environmental consultancy firm, Environmental Resource Management (ERM), was appointed to complete the final stages of the EIA. ERM, Elementos, SCYPI and MESPA employees have been working together to develop a suitably detailed, robust, and responsible study for submission to the Junta de Andalucía.

During the course of 2021 and 2022, the company and ERM has interacted with the Junta de Andalucía and received further clarity on several key submission points. The company is pleased to confirm that following the release of this Scoping Study, the full set of regulatory submissions will be submitted to the Junta de Andalucía. It can be confirmed that the design of the project presented in this Scoping Study is aligned with the documents being submitted to the Junta.

16.2 Social

Oropesa is located within the municipality of Fuente Obejuna, in the province of Cordoba, approximately 6.5km to the northwest of the small town, Fuente Obejuna. The objectives of the proposed project are compatible with the planning guidelines of Fuente Obejuna.

Fuente Obejuna is largely a rural community. Land use within the permit application area is dominated by livestock farming. Livestock farming practices are largely confined to grassland areas that are occasionally interspersed with oak trees. Primary livestock farming is predominantly limited to pigs, sheep and cattle.

The Project is committed to promoting further employment opportunities to the local people and towns in the area. This will be both direct and indirect and will in many instances include training and upskilling of people who haven't directly participated in mining employment previously.

The company is also committed to the province and city of Cordoba, and the autonomous region of Andalucía. MESPA is currently in the early stages of establishing working with several industry bodies and Universities to foster more investment of people into the mining sector.

17.0 OPPORTUNITIES

The Study is a compilation of all the completed and available drilling, geological, geotechnical, feasibility and metallurgical test work programs over more than ten years. Noting that there are several named DFS technical programs (Geological, geotechnical, hydrogeological) that have not been included due to their technical and engineering assessments not being completed in time for use in this study.

The current Study was used to update the previous Updated Economic Study and specifically assess the viability of increasing the scope and scale of the project. In addition the project has updated, further-detailed, and re-priced several technical and financial assumptions - maturing the project in many significant ways. The Study outcomes are very positive, there however remain some opportunities that could potentially enhance the project's economics further, including:

- Additional expansions of the existing Mineral Resource. Several primary targets in the NW and SE have already been identified, resulting from the recent Geotechnical drilling; and
- Wider tenement exploration potential - the company remains confident in additional tin mineralisation being found on tenement (away from the current Mineral Resource and it's extensions).

In addition, opportunities exist to improve the economics of the project, including:

- Completing further ore sorting test work (TOMRA or other-OEM) program to further optimise the performance of the unit/s. Opportunities exist to increase the tin recovery or reject additional waste rock – potentially both;
- Completion of geotechnical slope stability engineering could lead to a steepening of wall design angles in and around the pit. This would, in some extents of the pit, reduce waste movement;
- Stacking of waste dumps on top of back-filled pit areas could potentially reduce the ex-pit waste hauls in years 5-13 of current mine plan;
- Further optimisation of ore and waste haulage profiles, including the flattening of total material movement and fleet (truck and shovel) numbers;
- Introduction of further electric equipment and machinery. Evaluation of conveyors and truck ramp assist technologies could reduce energy consumption and carbon emissions; and
- Explore the potential of non-tin mineralisation (i.e., zinc, copper) and concentrates within the deposit. Test and model the trends throughout the Mineral Resource and if positive consider further metallurgical test work to determine the possibilities of additional concentrates.

18.0
RISK ASSESSMENT

Key risks identified as part of the Study risk assessment process are outlined in Table-16. The risks will be assessed and risk mitigation strategies developed as part of a future feasibility study assessment on the project.

Area	Key risks
Market	Exchange rates, escalation, power prices, tin prices, tin demand
Geology / Resource	Deposit geology, conversion of remaining Inferred Resources to Indicated Resources, and Mineral Resources into Ore Reserve
Mining	Geotechnical, grade control, equipment selection, operating and capital costs
Metallurgical	Metallurgical recovery and concentrates grades, deleterious and penalty elements
Processing	Processing site location, operating and capital costs, labour supply, metallurgical assessment outcomes
Tailings	Discharge location, capital cost, approvals
Logistics	Supply chain challenges and delays
Environmental	Receiving final Environmental approvals to proceed (and timing)
Regulatory	Increasing Regulatory thresholds and their economic effect on the mining operations
Costs	Unexpected cost over-runs, above contingency limits
Development funding	Access to capital to pre-FID and post-FID project financing

Table 16. *Key project risks*

19.0 RECOMMENDATIONS

The Study has again highlighted several key areas that will be matured within the Definitive Feasibility Study, including:

Processing plant

- Finalising metallurgical test work and DFS flow sheet
- Optimisation of the tin flotation concentrate ultra-fine gravity cleaning stage;
- Further testing of the specific gravity of the ore;
- Developing metallurgical regressions via variability test work across a range of tin and impurity grades;
- Undertake preliminary test work to establish whether rejected sulphides could form secondary concentrates at points throughout the mine life;

Mineral Resources

- Drilling program to convert remaining JORC Inferred Resources within pit shell into Indicated Resources;
- Sterilisation drilling to confirm the location of key infrastructure;
- Resource extension exploration drilling on adjacent targets;

Hydrogeological

- Additional pumping tests to confirm the capacity of the aquifer for mine dewatering analysis;
- Water balance development;
- Identify additional on-tenement water bores for contingency planning;

Mining

- Detailed mine design and scheduling to further minimize the operational footprint and the waste to ore hauls;
- Mature the engineering to a level of confidence that a maiden Ore Reserve can be declared for the project.
- Finalise the slope stability criteria from geotechnical studies to confirm wall design angles;
- Inclusion of sulphides into the geological model. This will support the creation of a sulphide material mining plan, optimise management of the tailings and potentially identify other possible concentrates throughout mine life;

Process Plant

- Further maturity of engineering design;
- Engage with EPC/EPCM contractors to mature Process plant design and cost estimate for DFS;

Infrastructure

- Detailed tailings dam engineering and design;
- Detailed electrical transmission and distribution studies;

Environmental & Regulatory

- Submit Environmental Impact Assessment (EIA) and commence community consultation program.
- Work with regulators during their assessment of the Exploitation Licence and EIA.

20.0 PROJECT IMPLEMENTATION

The Company's project development plan encompasses the following activities:

- Submission of Environmental Impact Assessment and Exploitation (Mining) License Applications;
- Complete the technical assessment of recently acquired technical data (i.e., geotechnical, hydrological) to feed into DFS;
- Complete the current DFS metallurgical test work program (which is still underway, and has therefore not been used in this study);
- Mature the engineering, procurement and packaging strategies;
- Finalisation of the Definitive Feasibility Study;
- Further infill drilling to attempt to upgrade the 6% of Inferred Mineral Resource which sit within the pit shell of this Scoping Study;
- Consideration of ordering long lead items;
- Engagement with key stakeholders and community consultation;
- Progress Project Financing Discussions with both debt and equity providers
- Further evaluate off-take agreements, ensuring parties are aligned with strategic, geopolitical and financial outcomes
- Recruit local workforce
- Construction and commissioning.

21.0 COMPETENT PERSON'S STATEMENT

The information in the report to which this statement is attached that relates to mining and the Production Target including the assumptions for the Modifying Factors are based on, and fairly reflect the information and supporting documentation compiled and prepared by Mr Michael Hooper a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hooper is employed by Optimal Mining Solution Pty Ltd as an independent consultant to Elementos Ltd. Mr Hooper 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'. Mr Hooper consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The Mineral Resources underpinning the Production Target have been prepared by a competent person or persons in accordance with the requirements in Appendix 5A (JORC Code).

The Study is based on the Measured, Indicated and Inferred Mineral Resources Estimate compiled and reviewed by Mr Chris Grove (Announced to the ASX on the 8th November 2021), who is a Member of the Australasian Institute of Mining and Metallurgy and is a Principal Geologist employed by Measured Group Pty Ltd. Mr Chris Grove 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 Mineral Resources. Mr Chris Grove consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Study for the Oropesa Tin Project is based on and fairly represents information and supporting documentation that has been compiled and reviewed for this report by Mr Chris Creagh who is a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Creagh is an employee to Elementos Ltd and is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

REFERENCES TO PREVIOUS ASX RELEASES

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

- Acquisition of the Oropesa Tin Project, 31st July 2018
- Oropesa Ore Sorting Test work, 9th August 2019
- Oropesa DFS commencement, 12th July 2021
- Oropesa Tin Project Optimisation Study, 3rd December 2021
- Oropesa Tin Project – Mineral Resource Estimate, 8th November 2021

The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred above and further confirms that all material assumptions underpinning the production targets 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.

REASONABLE BASIS FOR FORWARD LOOKING STATEMENTS

This ASX release has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions on which the Production Target and financial forecast information within this Scoping Study are based have been included in the table below, which is based on the Modifying Factors in Section 4 of the JORC Code (2012) Table 1.

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• No JORC Ore Reserves have been declared. • A Mineral Resource estimate was prepared (ASX Announcement 8th November 2021) by Mr Chris Grove who is a consultant with Measured Group Pty Ltd and qualifies as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources'. • The Mineral Resources are inclusive of the Production Target reported in this Study. A total of 88% of material in the Production Target is in either the Measured (21%) or Indicated (67%) Resource classification categories.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Mr Chris Grove (Measured Group Pty Ltd) and visited the site and commented that construction and operating a mine, processing plant, waste rock and tailings facilities are seen as feasible.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• No JORC Ore Reserves have been declared. • The Study has been completed to an overall Scoping Study level of accuracy of +/-35% • Suitable mine planning and modifying factors have been applied appropriate to a Scoping Study level of accuracy and are deemed to have reasonable prospects of being technically achievable and economically viable.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• A 0.15% Sn cut-off was used, the same considered in the Mineral Resource classification. This is applied to the calculation of tonnages, grades and metal content.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e., either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining*	• No JORC Ore Reserves have been declared. • Deswik Pseudoflow pit optimisation software was used to identify viable open pit shells based on the 2021 Mineral Resource model. The following preliminary input parameters were used:

	method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • *The assumptions made regarding geotechnical parameters (e.g., pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	(see table below)

Input	Units	Value
Operational		
Overall Pit Wall Angle	degrees	41
Crusher Split -10mm Mass Yield	%	21.5%
Crusher Split -10mm Sn Grade Upgrade	y = 1.1238(Sn Feed) + 0.0002	
Crusher Split +10mm Mass Yield	%	78.5%
TOMRA High Grade Bypass Limit	%	>1% Sn
TOMRA Feed Mass Yield	y=19.685(Sn Feed) + 0.5858	
TOMRA Feed Tin Recovery	y=21.131(Sn Feed) + 0.7738	
Concentrate Output Sn Grade	%	62.4%
Concentrator Metal Recovery	%	74.2%
Cut-off Grade Sn%	%	0.15%
Cost		
Topsoil Stripping and Management	$/bcm	$3.24
Waste Mining (incl D&B) < 1km Haul	$/Waste t	$1.60
Ore Mining (incl D&B) < 1km Haul	$/Ore t	$1.87
Additional Cost for Haulage > 1km	$/t/100m	$0.018
Pit Dewatering	$/t/70m depth	$0.074
Grade Control Drilling	$/Ore t	$0.165
TOMRA Cost	$/Feed t	$1.04
TOMRA Rejects Disposal	$/Rejects t	$1.05
Concentrator Costs	$/Feed t	$16.19
Final Void Rehandle & Shaping	$/Waste t	$0.77
% of Waste Rehandled into Void	%	61%
Pit and Dump Rehabilitation	$/Total Mined t	$0.08
Infrastructure and Tailings Rehabilitation	$/Ore t	$1.05
General and Administration Costs	$/Total Mined t	$0.67
Freight	$/conc. t	$200
Smelting	$/conc. t	$450
Sustaining Capital	$/Ore t	$1.42
Contingency	% of Opex	10%
Revenue		
Tin Sales Price	$/Tin tonne	$30,000
Concentrate Penalties	$/Tin tonne	$250
Tin Payable	%	98%

		• The deposit consists of several lenses that largely conform to the local geological stratigraphy, forming an elongate tabular body that dips shallowly from the northwest towards the southeast. Conventional open cut mining methods have been designed in 2.5m high benches to exploit the near surface mineral resources in the centre of the deposit in the early phase of development. The second phase of development targets the base of the mineralisation in the north-west. The mine will then develop towards the deeper southeast parts of the deposit allowing for the backfilling the mined-out stages as the pit progresses. The waste will be stored in out of pit dumps until the backfilling is available. • Geotechnical studies have recommended variable pit slope angles depending on the location of the pit walls within the stratigraphy. The predominate stratigraphy of the deposit is conglomerates and sandstone with an overall recommended slope angle of approximately 41 degrees. • Due to the resource model having sub-cells dimensions smaller than the selected excavator bucket widths, a mining model was created to provide a realistic representation of what can practicably be mined. Ore blocks of a minimum mineable size of 100bcm on each 2.5m bench were grouped with a 0.5m halo expanded around them to include edge dilution. A mining recovery factor of 98% was then applied to convert the mineral resource to ROM mining tonnages. • Inferred and unclassified resources have been included but make up less than 12% of the Production Target. A large proportion of the unclassified resources is from the dilution halo. • No detailed pit designs were undertaken for the Scoping Study with a life of mine production schedule being generated using the pit optimisation shells. The production schedule was developed targeting a 1Mtpa concentrator feed which results in approximately 1.25Mtpa of ore mining. The deposit will take 12 years to mine with a total ROM ore of 15.5Mt and 136Mt of waste from the pit (average waste to ore strip ratio of 8.8:1). The total concentrator feed is 11.4Mt with an output of 62kt of concentrate containing 39kt of tin metal. • It is planned that contractors will be utilised for the mining operations. Workshops, administration buildings, access roads and haul roads will be constructed as required.

Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The process flowsheet developed for the project is a standard sulphide flotation, gravity separation and tin (cassiterite) flotation extraction method common within the hard rock tin mining industry. • A series of comprehensive metallurgical test programs have been carried out, including ore sorting pre-concentration on a 3-tonne sample by TOMRA Sorting Solutions – mining, at their facilities in Hamburg, Germany, preliminary metallurgical tests at SGS Mineral Services UK Ltd and a 900kg pilot plant test work program at Wardell Armstrong International Ltd, Truro, United Kingdom.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• A primary Environmental Impact Assessment/Study (EIS) was lodged with the Andalucian regulatory authorities in 2018. • The updated EIS in currently in an advanced draft status, using international consultants ERM, and is planned for submission early April 2022. The EIS submission is aligned with the scoping study presented in this report. • Waste rock characterization work has been carried out and is used in the design of waste rock storage facilities. Tailings storage for sulphide bearing tailings will be in a specific tailings storage facility, with clean tailings to be stored is a separate tailings storage facility and as co-disposal waste within the waste rock facilities • The operation has been designed where no water shall leave the site without prior treatment suitable for discharge into the natural environment. Most on-site rainfall will be harvested.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• Access to the Oropesa Project area is via a sealed road for approximately 3km north-northwest of the small community of Fuente Obejuna along road CO-8404 (road between Fuente Obejuna and Los Blazquez), then heading west-northwest for approximately 5km along a well-formed unsealed public access road • Grid power passes through the project area, as does gas infrastructure • It us currently modelled that sufficient water is available from de-watering of a localized aquifer ahead of mining and from surface run-off from rainfall

		• The Oropesa Tin Project is located within the Andalucian province which has a long history of mining activity. The local population has a recent history of metal and coal mining and should be able to provide a significant proportion of the workforce.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Capital costs are based on preliminary engineering estimates and appropriate factoring and benchmarking for a Scoping Study. • The operating costs have been sourced from a combination of quotes provided by local contractors, estimations by environmental and processing consultants and benchmarks from similar operations adjusted for local conditions. Where required unit costs have been applied to physical outputs from the production schedule. • No Government Royalties are payable • A Private 1.35% Net Smelter Royalty (NSR) is currently modelled and payable to a private company (SPIB) the original vendor of the property
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• The base case tin price of US$30k/t used for pit-shells is based on conservative current forecasts carried out by the International Tin Association, industry players and commodity price forecasters. • It should be noted that subsequent to the completion of the mine planning pit shells the Elementos board has chosen a revenue factor of US$32,500/t for financial evaluation. • Evaluation is on a real basis, so no assumptions have been made for inflation. • Smelter treatment charges and penalties are derived from quotes from a commercial smelter and current tin miners • The current spot tin prices are well in excess of the base case presented in this study. Current prices on the LME are US$42,650/t (+42%) and US$54,000/t (+80%) on SHFE on 25 March 2022.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and*	• World refined tin production is forecast to be in deficit in 2025. The International Tin Association currently forecasts a shortfall of approximately 50k-70k tons of tin metal by 2025 based on current supply and demand fundamentals. • Existing mines are not expected to be able to meet this projected shortfall in supply due to lower grades and poorer recoveries as these operations reach maturity.

	acceptance requirements prior to a supply contract.	
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The project is located within a jurisdiction with low sovereign risk • A tin price of US$32,500/t has been applied to the economic analysis of this study. • The model has been assessed and modelled in real dollars • 0.5m halo around the ore blocks on each bench was applied for dilution purposes • A discount rate of 8% has been adopted for this study • Sensitivities have been carried out on major inputs and are presented elsewhere within the body of the accompanying ASX release • Capital costs have been estimated to a level of accuracy of ±20% and are based on recent mine construction projects in Spain • Fixed and variable operating costs are based on current mining operations in Spain • The technical parameters and financial forecasts for the Oropesa project are robust and provide a platform for Elementos to advance discussions with potential debt providers, strategic partners, off-take partners and equity investors
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• The project appears to have strong local and regional community support. With constant communication with key stakeholders in the area. • The project is yet to be presented with any real or material objections to the project which is located in a largely economically depressed region.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• On 8 March 2022 the Andalucian government (the Junta de) issued a press release naming the Oropesa Tin Project one of seven significant mining projects assigned to the "Project Accelerator Unit", formed specifically to centralise and streamline the project's regulatory assessments and provide further government support to ensure the successful start-up and execution of the project. This follows a submission by the Company to the Ministry of Economic Transformation, Industry, Knowledge, and Universities.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of*	• No JORC Ore Reserves have been declared.

	the deposit. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• No JORC Ore Reserves have been declared.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• JORC Ore Reserves have not been classified or declared. • The level of accuracy for the Scoping Study is + / - 35%. • The Production Target used in the Scoping Study comprises 88% Measured and Indicated Resource categories.