

26 November 2015

2015 AGM CHAIRMAN'S ADDRESS

Fellow shareholders,

You will shortly hear from your CEO, Tim McManus about your company's progress and achievements over the past year. I intend to address the future direction of Elementos.

Elementos has a strong portfolio of projects, which can be effectively developed in a pipeline and sequentially. The projects are attractive. They have:

- Good economics
- Low capital cost
- The advantage of history
- The advantage of geography – they are in a storied mining district
- Good community support
- Excellent local resources

On the flip side, the commodity cycle has been downward; tin prices have fallen materially, and the markets – physical, commodity and funding – are all challenging.

Where to for Elementos?

Your Board has determined to pursue, over the next 12-18 months, all the front-end requirements of the Cleveland tailings project – with a target of getting the tailings project into production as soon as possible.

Even at the currently depressed tin prices, this project will generate positive cash flow, and will enable options to be considered – including in particular the funding of the next phases of the Cleveland projects from operating cash.

As well as being a profitable project in its own right, the tailings project can also be developed quickly and has a modest capital requirement.

This will be our number one priority over the next 12-18 months where we will:

- Complete metallurgical test work
- Complete the process engineering and construction package
- Complete environmental approvals process (DPEMP)
- Receive approval of Mining License application
- Finalise the capital cost and operating cost estimates and schedule
- Finalise the execution plan and risk review

While there are lots of challenges and work to be done, our target is to have an operating project, and a cash flow positive company, in 2017.

Beyond the Cleveland tailings project, the following options are on the table and will be continuously evaluated:

- Development of the Cleveland open cut mine
- Development of the Cleveland underground mine
- Further exploration and development of the identified Cleveland tungsten resource

And, if we are successfully in our mission to be a profitable mining company in 2017, consideration will be given to the potential of pursuing aggregation opportunities in the mining industry in northwest Tasmania.

We have many exciting opportunities in front of us. That we can develop the Cleveland tailings project in a profitable way at currently depressed tin prices is to our advantage and has major strategically significant advantages.

Funding

As I said earlier, the Cleveland tailings project has modest capital requirements.

Project funding will be pursued in a way that protects shareholder value. Your Board's plan is to avoid a highly dilutive issue of securities to raise further funds at this time.

To Fund the Cleveland tailings project, and the necessary preparatory work, we are working on a combination of funding sources, potentially including:

- (Non-convertible) loan funding from supportive major shareholder/s
- Project level debt
- Product offtake partner/s.
- Equipment suppliers and possibly export development banks

Corporate

These are challenging times for our industry, and particularly companies at the "junior" end of the market.

Elementos has an outstanding portfolio of projects and many advantages.

Your Board and Management is intensely targeting getting to an operating phase, a profitable phase, as quickly as possible. Getting the tailings project up and running will provide significant advantages to the community in which we operate; to the environment; and to our shareholders.

I would like to thank the communities of North Western Tasmania for their support of Elementos – and their patience.

I would also like to thank recently retired directors Richard Seville and Rick Anthon for their service to the company; and I would like to welcome your new director, Christopher Dunks, to the Board.

In particular, I would like to thank our CEO, Tim McManus for his tireless efforts during the year and I look forward to working with Tim and his team, and your Board, as we pursue the short and long term strategic objectives of Elementos Limited.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Greig'.

Andy Greig
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