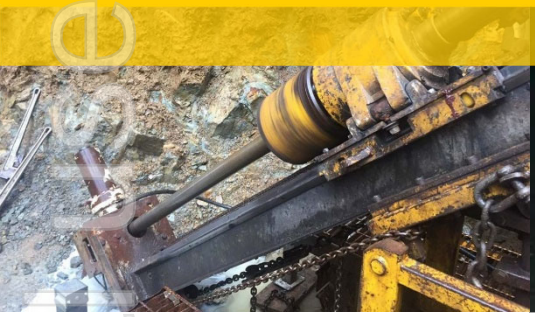
ELEMENTOS
TOMORROW'S TIN

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QUARTERLY REPORT
For the period ended 30 September 2020





Elementos is a resources development company focused on the safe and environmentally-conscious exploration and production of high-grade tin projects in jurisdictions that demonstrate a long history of successful mining.

The Company's portfolio comprises both near-term development and exploration assets, including:

- Oropesa Project, Spain – one of the world's largest undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. Oropesa is an advanced tin project with near term development and cash flow potential. The Company believes it will create significant share value-uplift potential as it is advanced towards development; and
- Cleveland Project, Tasmania – a significant resource of tin-copper amenable to both open cut and underground mining techniques, located in a world-class mining district with excellent infrastructure.

HIGHLIGHTS

- Successful capital raising completed for a total of A$3,325,000 via a private placement and Share Purchase Plan
- Exploration drilling at the Oropesa Project in Spain commences.

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OROPESA PROJECT

Located in southern Spain, the Oropesa Tin Project is one of the world's largest undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. It will be our first mining operation.

Economic Study Completed

Elementos recently completed an Economic Study that has positioned the company's wholly owned Oropesa Project in Spain as a globally significant new tin development with a prospective annual production of 2,440 tonnes of tin metal over a 14-year mine life.

The Study found that, at a tin price of US$19,750/tonne, the mine could potentially generate an annual gross revenue of more than US$48 million against a forecast operating cost of US$28 million per year or cash cost of US$11,534/tonne of metal. The estimated capital development cost is US$52.2m, including a 20% contingency.

Readily executable, the development concept proposes a simple open-cut mining operation and conventional processing facility producing tin concentrates which would be shipped to smelters in Europe and Asia.



The Study valuation also found a base case pre-tax NPV8% of approximately US$92m and post tax NPV8% of approximately US$66m. The pre-tax Internal Rate of Return is approximately 25% and the payback period is approximately four years.

The Study incorporates additional work completed at Oropesa since the Initial Preliminary Economic Assessment was released in 2014. Additional work includes a pilot plant metallurgical test program, ore pre-concentration testing, exploration drilling and development of an updated geological resource model, hydrogeological and geotechnical studies and advanced environmental impact assessment studies.

Description	Results
Average annual ore feed	750,000 tonnes
Average annual tin metal production	2,440 tonnes
Life-of-mine	14Years
Average tin price	US$19,750t real
Pre-production capital expenditure	US$52.2
Total life-of-mine revenue	US$675
Total life-of-mine EBITDA	US$281
All-in-sustaining cash costs	US$11,790t metal
Net Present value (8%, pre-tax, real)	US$92 million
Internal Rate of Return (pre-tax, real)	25%
Net Present value (8%, after-tax, real)	US$66 million
Internal Rate of Return (after-tax, real)	22%
Project capital pay-back period (pre-tax from mine start)	4 Years

Summary of financial and technical information (forecast numbers are approximate)

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The company has identified significant areas of the Study that have the potential to be optimised and add significant additional value to the project.

Oropesa represents an excellent opportunity to create value-uplift potential for shareholders as the project is advanced towards development.

Following the completion of the Economic Study, Elementos is seeking to further boost financial returns at Oropesa by completing an optimisation program designed to increase the project's overall resource, annual production and mine life.

The Company is confident that optimisation works will present an opportunity to extract considerably more value from the project.

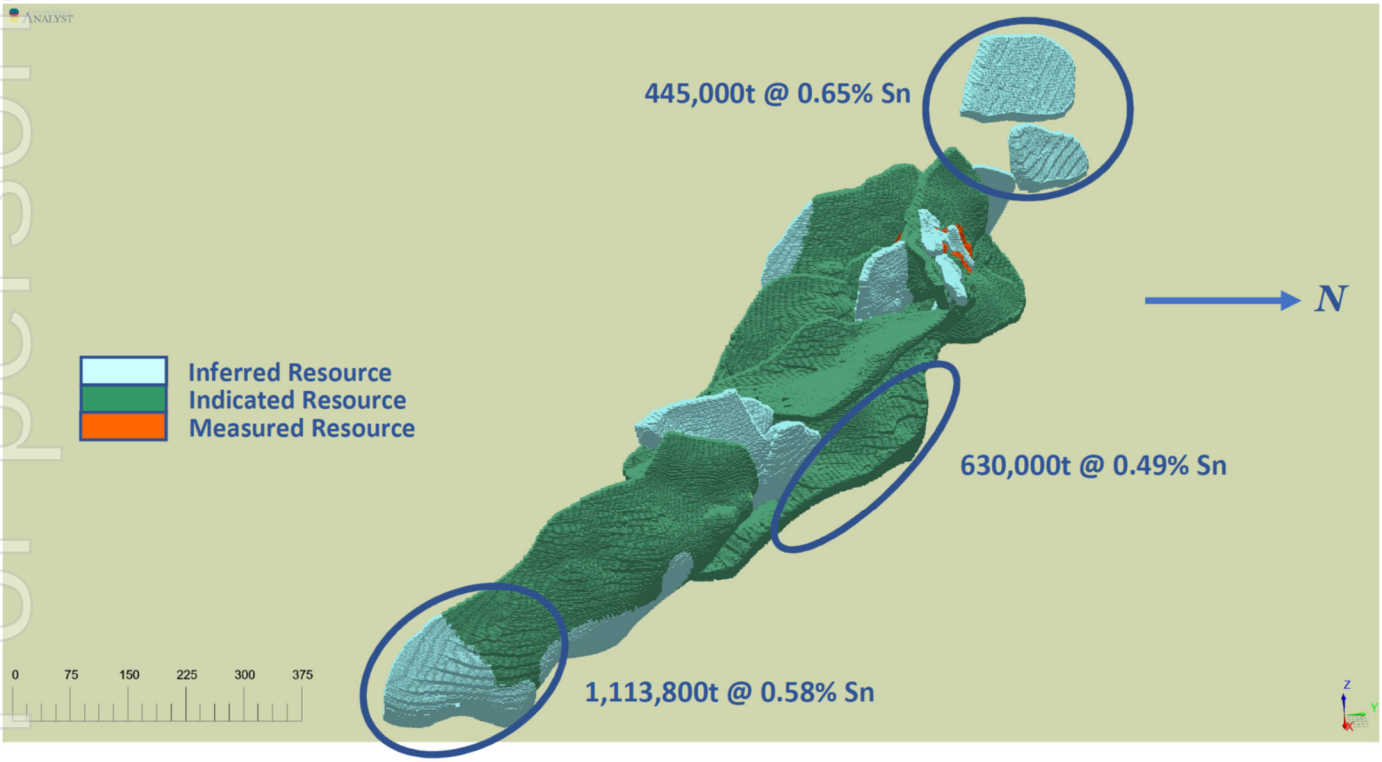
Subsequent to the end of the reporting period, the Company has commenced an exploration drilling programme that has been designed to optimise the current geological resource, but also potentially identify additional tin mineralisation at Oropesa

This work includes re-examination of existing drill core for zones of previously unidentified tin mineralisation.

Following the completion of these optimisation works, a new JORC Geological Resource will be prepared and Oropesa will be ready to progress into the feasibility study stage and finalise environmental permitting.

A number of other optimisation programs aimed at improving the metallurgical performance of the project will be implemented during feasibility.

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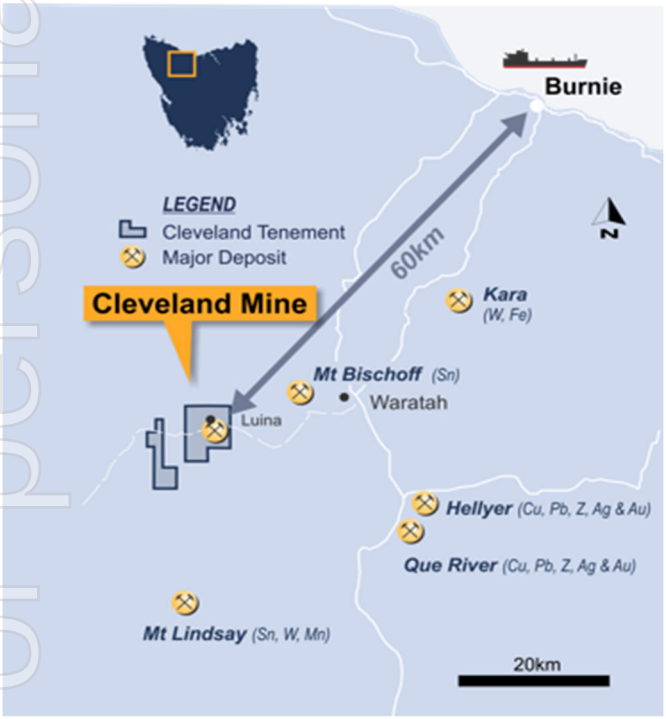
Oropesa geological resource model. Highlighted resources (circled) are not included in the current Production Target for the recently completed Economic Study (2017 Geological Resource Model).

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CLEVELAND PROJECT

The Cleveland Tin Project is located 80km southwest of Burnie in the mineral-rich northwest region of Tasmania, Australia. It is a historic mine boasting excellent power, water and transport infrastructure.

Work continues at Cleveland on identification of additional exploration targets and an official submission of the new development proposal for the mine design of a combined open cut/tailings retreatment project.



CORPORATE

During the quarter the Company completed a private placement to raise a total of A$2,552,000 and completed an oversubscribed Share Purchase Plan (SPP) to raise an additional A$773,000.

The Placement and SPP will be used to fund the following activities:

- *Resource Conversion Drilling*. Drilling will target the conversion of near surface Inferred Resources to Indicated Resources. This will aim to improve the waste-to-ore stripping ratio by incorporating additional mineral resources into an updated mineral resource.
- *Fault Controlled Mineralisation Drilling*. Drilling will aim to confirm interpreted near-surface fault controlled mineralisation that has been identified from historical exploration data. This has the potential to significantly expand the resource, especially at shallow levels.
- *Wider Tenement Potential Drilling.* Drilling will target geophysical and geochemical anomalies that have been identified lying along strike and north and south of the Oropesa orebody.
- *Estimation of a new JORC Geological Resource*. Geological reinterpretation of the Oropesa orebody following drilling, incorporating a low-grade tin halo that is currently excluded from the current JORC resource that was used in the Economic Study. The outcome of this drilling may result in an increase in tin production at no additional mining cost.

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- *Environmental Approvals*. Advancing the resubmission the of the project's Environmental Application. This involves the final completion of a number of studies, resubmission to the relevant government authority, and associated statutory obligations
- *Engineering Studies*. Progress the engineering studies for the process plant and site infrastructure, including tailings dam design.
- *COVID-19*. Provide additional resources in the uncertain Covid-19 environment

Exploration Tenements

Tenement Name	Tenement Number	Area (km^2)	ELT Interest	Tenement Location
Cleveland	EL7/2005	55	100%	Tasmania, Australia
Oropesa	13.050	13	100%	Andalucia, Spain

ASX Listing Rule 5.3 disclosure

- During the quarter, payments for exploration and evaluation activities covering both the Oropesa and Cleveland projects totalled $206,000.
- Payments of $95,000 were made during the quarter to Related Parties, as reported in clause 6.1 of the ASX Appendix 5B (Cash Flow Report).

Forward-looking statements

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

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

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

For more information on specific risks associated with forward looking statements refer to the Risk Assessment section of the announcement "Positive Economic Study for the Oropesa Tin Project", 7th May 2020.

Competent Person Statement

The information in this report is based on and fairly represents information and supporting documentation that has been compiled for this report. Mr Chris Creagh is a consultant to Elementos Ltd. Mr Creagh has reviewed and approved the technical content of this report. Mr Creagh 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 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.

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References to Previous Releases

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

- Acquisition of the Oropesa Tin Project, 31st July 2018
- Oropesa Ore Sorting Testwork, 9th August 2019
- Exploration Evaluation at Oropesa tin project, 4th February 2019
- Oropesa Presentation – Seville, Spain, 18th October 2019
- Positive Economic Study for the Oropesa Tin Project, 7th May 2020
- Oropesa optimisation work and drilling to unlock further value, 13th July 2020

The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred above and further confirms that all material assumptions underpinning the production targets, forecast financial information derived from a production target and all material assumptions and technical parameters underpinning the Ore Reserve and Mineral Resource statements contained in those market releases continue to apply and have not materially changed.

This announcement was approved by the Board of Elementos Limited.

For more information, please contact:

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