ELEMENTOS
TOMORROW'S TIN

QUARTERLY REPORT
For the period ended 30 June 2022

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Elementos is an emerging tin producer focused on the responsible development of two high-grade tin projects in stable and mature mining jurisdictions.

The company's portfolio comprises two development assets:

Oropesa Project, Spain

One of the world's few undeveloped, open-cut mineable tin deposits, with access to world class infrastructure. Elementos is developing Oropesa to produce tin concentrate within the European Union, with high strategic value to major global economies as they transition to green economy infrastructure.

Cleveland Project, Tasmania

A significant tin-copper (and Tungsten) Mineral Resource amenable to both open-cut and underground mining techniques, located in a premium mining district with excellent infrastructure. The project retains plenty of exploration upside, and also hosts notable tungsten mineralisation at depth.

Safety

No recordable injuries during the quarter at either the Oropesa or Cleveland tin projects. The Site Safety System in Spain for Oropesa was reviewed and updated to ensure the operation is making additonal efforts to eliminate hazards via identification and mitigation. With an increasingly busy site the team is committed to ensuring safe work practices are maintained and improved.

QUARTER HIGHLIGHTS

- Oropesa Tin Project submitted key Regulatory documentation (Mining Licence Application and Environmental Impact Study) to significantly progress the approvals of the project.
- Appointment of Wave Europe BV (Wave International) as Owners Engineer and DFS Author for Oropesa Project.
- Geociencia y Exploraciones Maritimas S.L. (GEM) was contracted to finalise the design of Oropesa's Tailings Dam & Waste Dump Design.
- Oropesa feasibility development programs significantly progressed to further mature project data for the DFS.
- Four-hole drilling program completed at Cleveland Tin Project with significant tin-copper and tungsten mineralisation assay results announced from first hole.
- Cash balance of $6.3m at 30-June-22 following exercise of 99.7% of 32.5c options which expired in April-22.

POST-QUARTER

- Commencement of Oropesa infill and exploration drilling program
- Chairman Andy Greig purchased $190,980 worth of ELT shares on market

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Oropesa Tin Project

Located in southern Spain, the Oropesa Tin Project is one of the world's few undeveloped, open-cut mineable tin deposits, with access to world-class infrastructure. Elementos is developing Oropesa as Euope's next significant tin mine.

Definitive Feasibility Study progressing on many parallel work streams.

Building upon the recent re-basing of the project's scale, announced in the March-22 Oropesa Tin Project Optimisation Study, the Definitive Feasibility Study (DFS) is progressing in many parallel workstreams.

Key DFS Contracts awarded

- Appointment of Wave Europe BV (Wave International) as Owners Engineer and DFS Author for Oropesa Project
- Geociencia y Exploraciones Maritimas S.L. (GEM) was contracted to finalise the design of the Tailings Dam & Waste Dump Design.
- Norvento Ingenieria S.L.U has been contracted to develop the engineering for power connections to the local power grid. Elementos is also studying alternate energy sources on both a stand-alone and hybrid power model.

Figure 1. *Civil Investigations (GT Rig) Tailings Dam footings*

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Process Plant Contractors

- A detailed Request for Proposal process has been run to engage suitably qualified Process Plant contractors into an Early Contractor Involvement process to develop the engineering to support the DFS. The company continues to engage with a number of parties and will inform the market when the selected contractor is awarded.

Contract Miner Engagement

- Five contract miners with significant operations in Southern Spain have been issued the first of a two-phase tender process to update key economic data in the lead up to the next phase of DFS mine planning.

Resource Drilling

- The company commenced a 1,590m infill diamond drilling campaign over nine holes at Oropesa, designed to convert the remaining Inferred Resources sitting within the proposed US$30,000/t mining pit shell (6% of 15.5Mt 2022 Production Target[3]) identified in the project's Optimisation Study[3]

- The company also announced after the infill drilling a follow-up exploration drilling program will commence to test mineralised extensions to open ended mineralisation trends (outside the current Mineral Resource) identified in the 2021 drilling campaign.

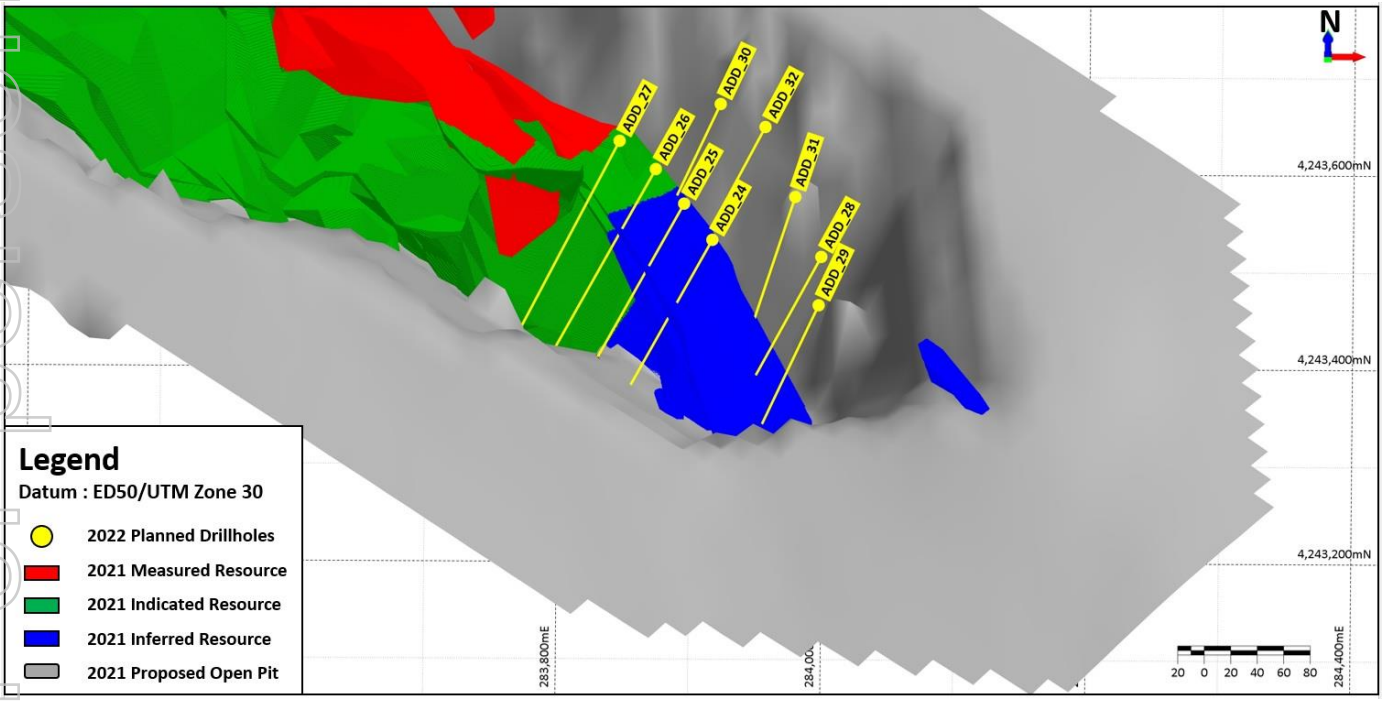

Figure 2: *Location of the 2022 infill drilling program holes, more details see announcement 29 June 2022*

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Figure 3. *Seismic investigations on process plant pad*

Metallurgical test work

- Pilot scale test work has been completed as of the date of this report, final balances and reporting are underway. The company will update the market as soon as peer reviewed and finalised.
- Variability test work in the final phases. The final variability metallurgical results will be used to develop metallurgical regressions to support mine planning and process engineering development.
- The company continues to also investigate producing a separate zinc concentrate from the sulphide tailings. This has the potential, pending economic confirmation, to produce a second concentrate and revenue stream for the project.

Ore Sorting Test Work

- During the period, the company conducted a 'cascade test' to further refine the optimal ore sorting settings at the TOMRA facilities in Hamburg, Germany.
- Following the quarter, two further bulk samples were run at revised ore sorting settings. The company is awaiting the final assays to establish if further improvements have been realised.

Civil Investigations

- In addition to designing the tailings dam, GEM has been contracted to conduct civil geotechnical and seismic investigations and assessment for key infrastructure locations including the process plant pad, waste dump and water dam locations.

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Geotechnical Reporting

- Following a material review and peer assessment the Geotechnical reporting is in the final stages of completion to establish the pit slope design criteria to support DFS mine planning.

Surface and Groundwater

- Meetings have been held with National Water authorities to further refine modelling inputs.
- Realtime monitoring program on boreholes is ongoing.
- 19 water monitoring bores have been installed across the project.
- Additional water bore investigations are underway on site to ascertain contingency sources, with a number of off-tenement sources being identified as prospective.

Andalucía Project Accelerator Group

Since the project's appointment, on 9 March 2022, by the Junta de Andalucia (Andalucían Government) into the 'Unidad Aceleradora de Proyectos' ('Project Accelerator Unit') the company continues to have constant interactions with the unit.

✓ The Project Accelerator Unit has provided support to Elementos

✓ The Project Accelerator Unit has been coordinating contact with the different ministries with powers over the procedures that affect the project.

Junta de Andalucía

https://www.juntadeandalucia.es/presidencia/portavoz/economiayempleo/169891/ConsejodeGobierno/UnidadAceleradoradeProyectos/Mineria/Minas/ExplotacionMinera/Empleo/Huelva/Cordoba/Granada

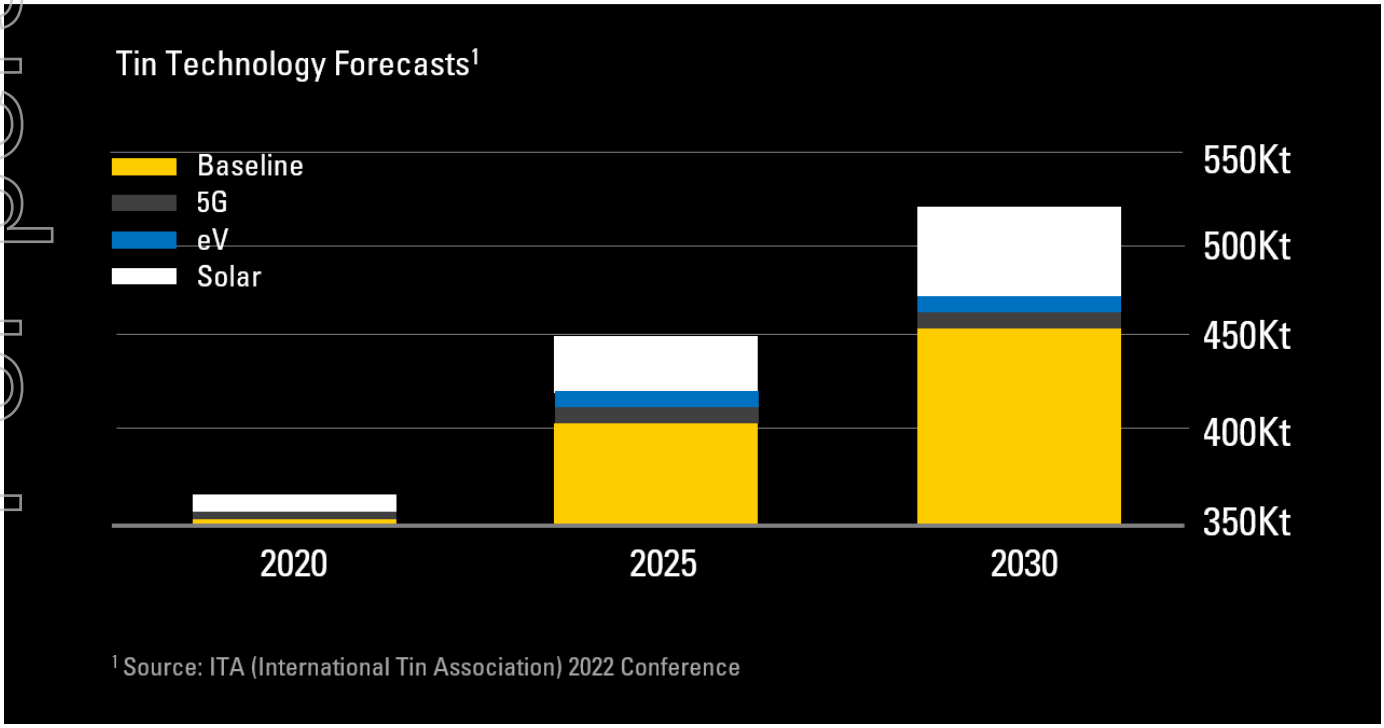

Figure 4. *Technology and green infrastructure is driving tin demand growth*

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Submission of Mining and Environmental Regulatory Documents.

In April 22, Elementos submitted three key regulatory documents to the Junta de Andalucía (Government of Andalucía, Spain) as it seeks to attain a Mining Licence (Exploitation Licence) and Environmental Authorisation (Autorización Ambiental Unificada -AAU) for its flagship Oropesa Tin Project in Spain.

These lodged documents included:

1. Exploitation (Mining) Project
2. Restoration Plan
3. Environmental Impact Study

The documents are the key requirements for the government to commence the assessment and licencing process and were prepared and submitted by Elementos subsidiary Minas de Estaño de España (MESPA) S.L.U.

Andalucían Elections

The Andalucían Elections were held on 19 June 2022 and the People's Party (PP) were re-elected in absolute majority (previoulsy in a coalition) and now control all eight provinces. This will provide stability and consistency to the current regulatory regime that the Oropesa project will be delivered under. In Andalucia, the election term is up to four years.

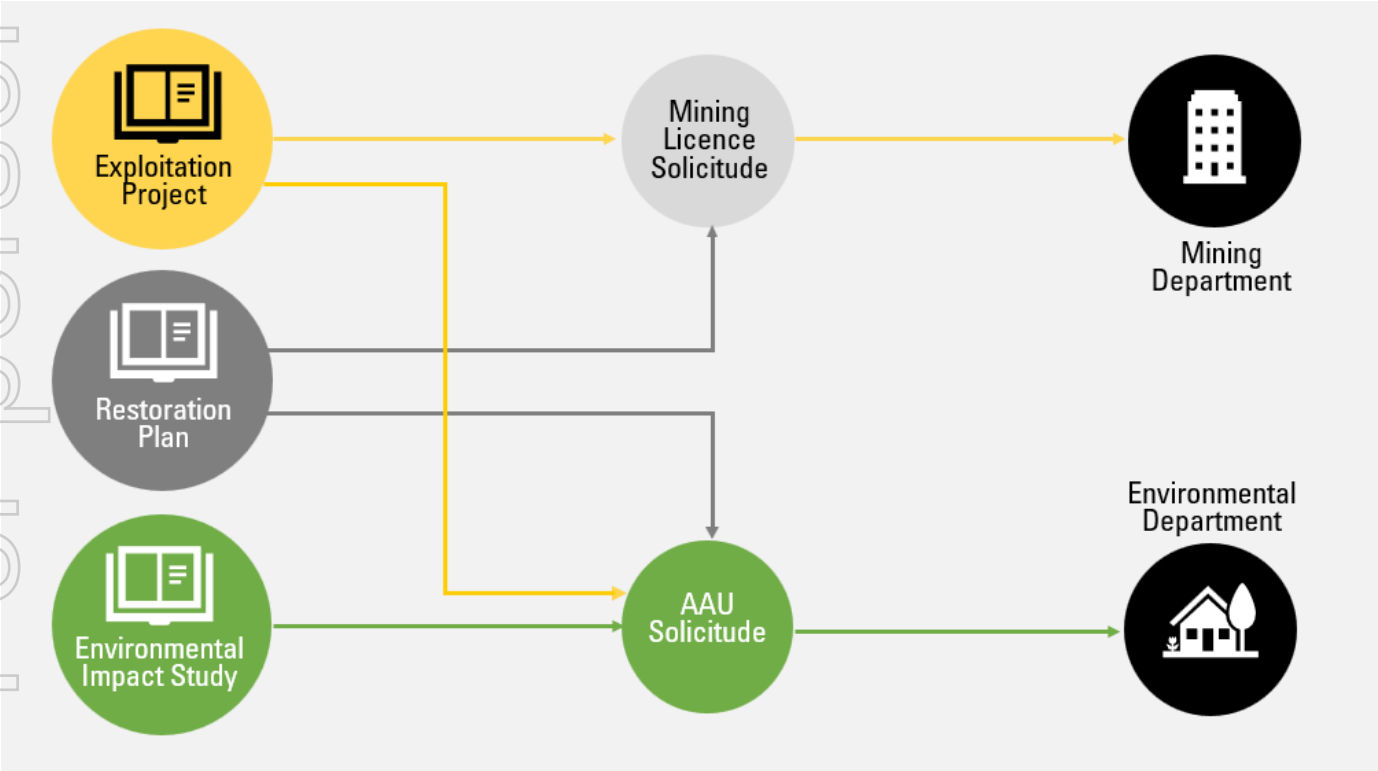

Figure 5. *Key Regulatory Documents, Approvals and Government Departments*

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Cleveland Tin Project

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

During the reporting period the company completed a 1,130m four-hole diamond drilling program.

The company has, as of the date of this report, only received the assays from one hole - C2119. This result has confirmed major extensions to both the Battery Tin-Copper Lode and deeper Foley's Tungsten Zone at its Cleveland Tin Project. Drilled to a depth of 300m, drill hole C2119 targeted an untested zone between northeast dipping and southwest dipping limbs of the historical underground mine workings at Cleveland and its current JORC 2012 compliant mineral resource.

Hole C2119, in an area with very little historical exploration, indicates a significant development at the Cleveland Project by extending both the Battery Tin-Copper Lode and identifying new tungsten mineralisation 150m above the existing Foley's Zone.

This appears as firm evidence that the current Cleveland Mineral Resource and geological model does not fully encapsulate the immense potential of the deposit. We've shown further mineralisation exists, close to the current resource, closer to the surface and in very close proximity to historical underground mine production drives.

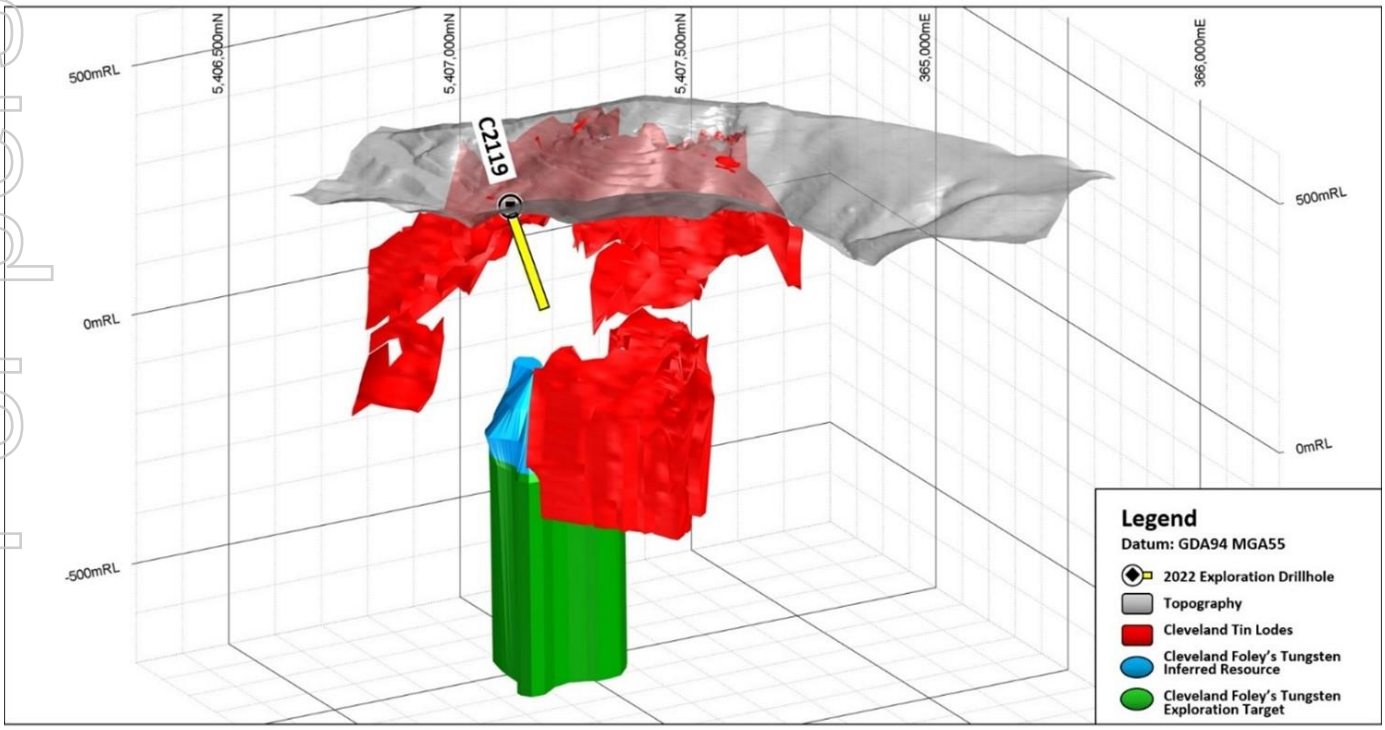

Figure 4. *3D view of the location of drill hole C2119 looking northwest highlighting the target zone between the limbs of the current JORC resource.*

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Assays from the remining three holes are yet to be received. The next stage of the program is to conduct downhole geophysical surveys and further geological interpretation before designing a targeted follow-up drill program.

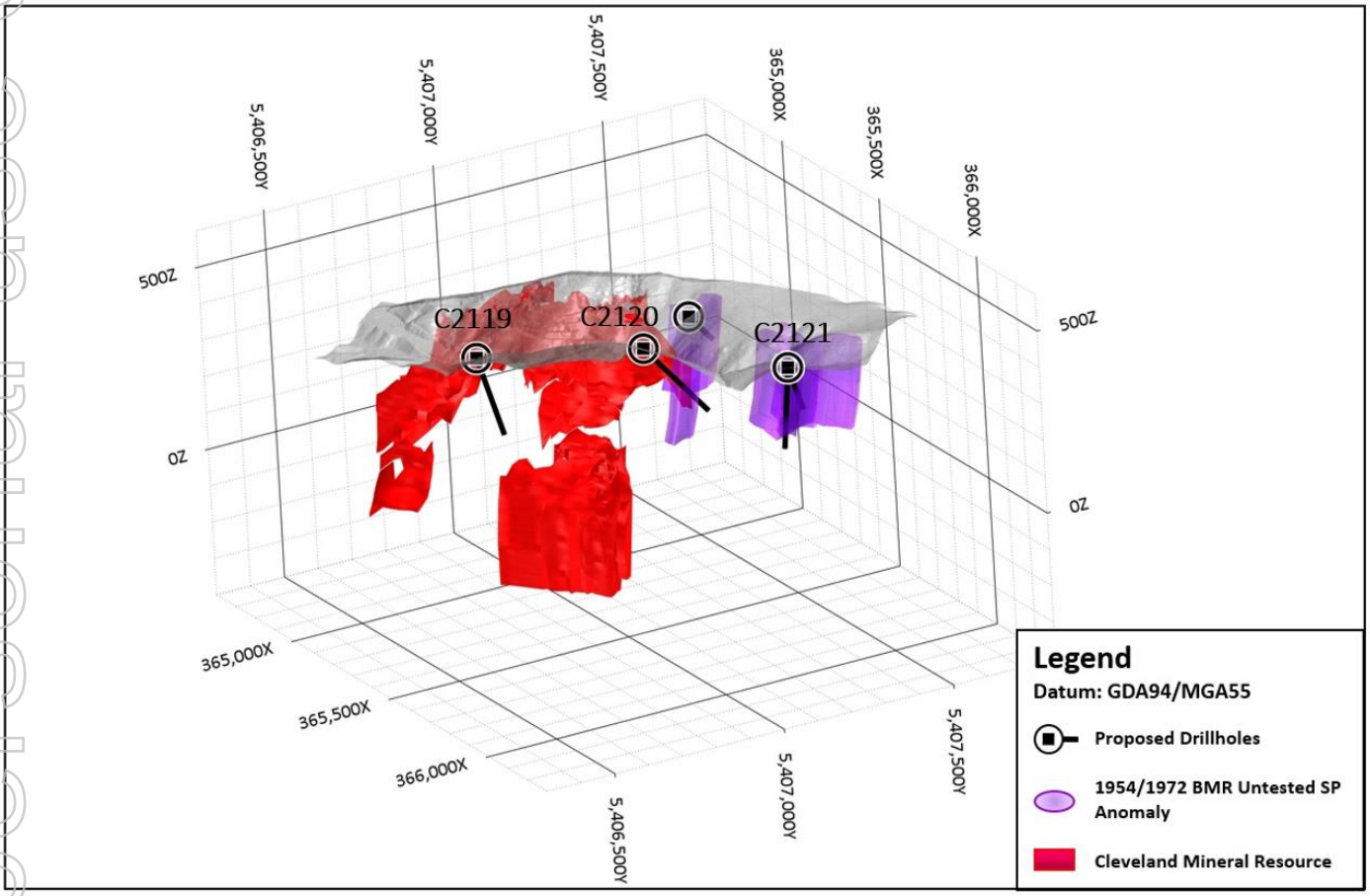

Figure 5. *3D model of the location of the planned and completed 2022 Cleveland drilling program looking from SE towards NW*

Exploration Tenements

Tenement Name	Tenement Number	Area (km²)	ELT Interest	Tenement Location
Cleveland	EL7/2005	60	100%	Tasmania, Australia
Oropesa#	13.050	13	100%[1]	Andalusia, Spain

#Elementos currently holds 100% of the project. Noting that SPIB (a local Spanish drilling company) continues to hold rights to convert to a 4% holding of the Spanish project subsidiary on its election at Final Investment Decision (FID) for the projects and a 1.35% Net Smelter Royalty.

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Corporate

Tin Price

The tin cash settlement price dropped by approximately 39% during the quarter following the signifiant drop in all commodity prices, driven by concerns of recessions of major global economies. The LME tin price at the end of the reporting period was US$27,050/t, down from US$44,200/t (www.LME.com). The Chinese tin prices held above US$30k/t at the end of the same period.

Unfortunately tin has been the worst performing LME base metals contract this year so far – with some experts indicating it has been ovesold. With tin being such a small market, speculative moves tend to have an oversized impact. Investment funds make up around 34% of open interest, so when they change their sentiment, it can moves the entire tin market.

In positive news, it has been reported that ~90% of Chinese smelting capacity is now out of the market (maintence). This will remove more than 14,000 tonnes out of the market during this period and should provide some stability to prices.

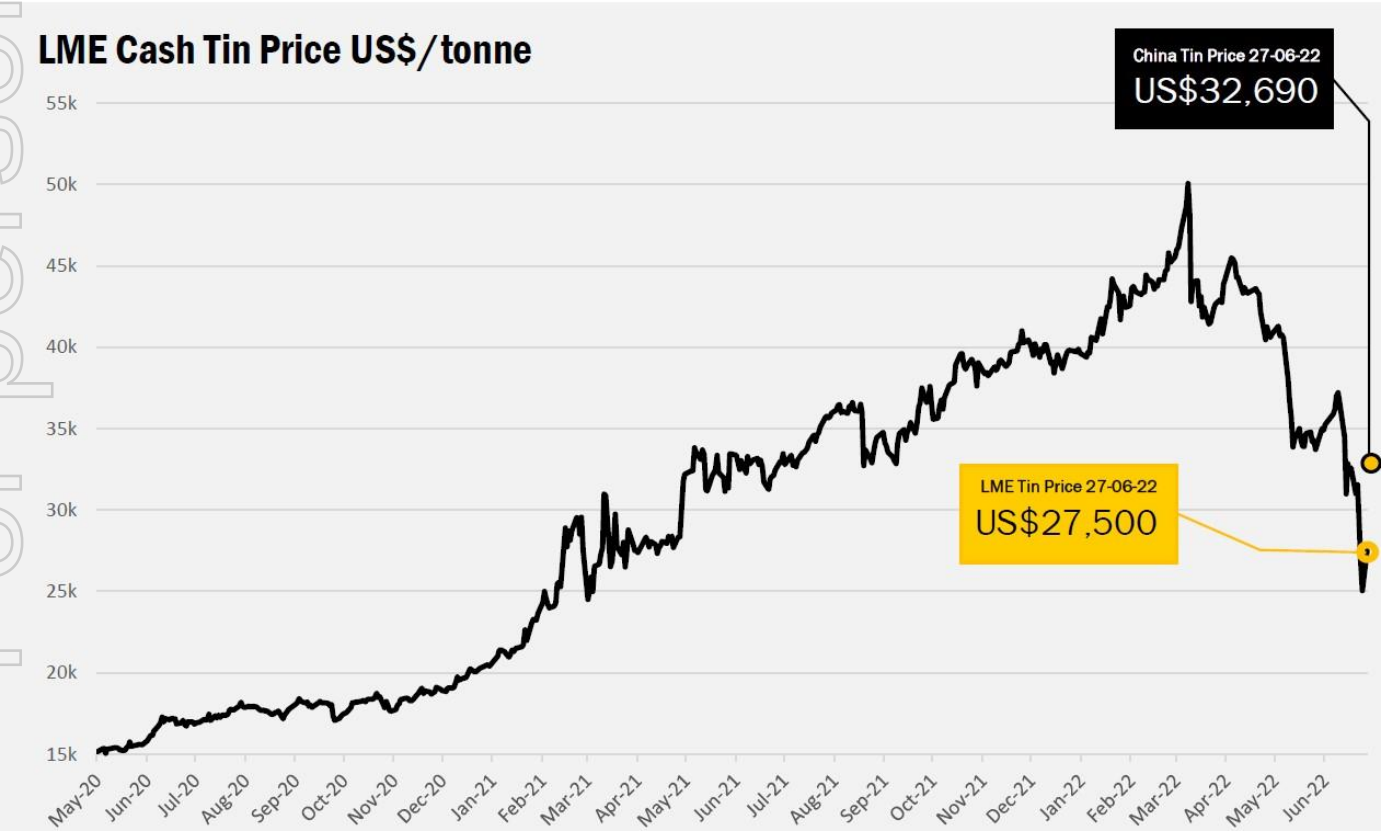

Figure 6: *The LME tin price dropped during the the period to approximately US$27,500,*
(China Tin Price 27-06-22 sourced SMM #1 Tin Ingot Price https://www.metal.com/Tin/201102250140

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2022 International Tin Conference

- Elementos participated in the International Tin Conference in Toronto in June which is held bi-annually.
- Elementos fielded further interest from established tin offtakers, including smelters and traders, and will continue to progress discussions with a number of suitable parties.
- Elementos continues to meet with investors and financiers who continue to show interest in Elementos and our Oropesa and Cleveland Projects.

ASX Listing Rule 5.3 disclosure

- During the quarter, payments for exploration and evaluation activities covering both the Oropesa and Cleveland projects totalled $671,000.
- Payments of $119,000 were made during the quarter to Related Parties, as reported in clause 6.1 of the ASX Appendix 5B (Cash Flow Report).

Directors Buying

Non-Executive Chairman Andy Greig purchased 448,998 ($190,980 worth) ELT shares on market. This was announced to the ASX on the 18 July 2022. Managing Director Joe David also purchased 19,742 ELT shares on market – annouced the same day.

Competent Person Statement

Oropesa 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 Releases

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

1 - "Oropesa Tin Project – Mineral Resource Estimate" 8 Nov 2021

2 - "Oropesa Tin Project Optimisation Study" 3 Dec 2021

3 - "Optimisation Study Oropesa Tin Project" 29 March 2022

4 - "Oropesa DFS Commencement" 12 July 2021

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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:

Joe David
Managing Director
Phone: +61 7 2111 1110
Email: jd@elementos.com

Please visit us at: www.elementos.com.au

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity

Elementos Limited

ABN	Quarter ended ("current quarter")
49 138 468 756	30 June 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(277)	(995)
	(e) administration and corporate costs	(304)	(883)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	-	(100)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives (COVID assistance)	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(581)**	**(1,976)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(2)
	(d) exploration & evaluation	(671)	(3,463)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(671)**	**(3,465)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	660
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	3,478	6,245
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(16)	(49)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(649)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal portion of finance leases)	(11)	(38)
3.10	**Net cash from / (used in) financing activities**	**3,451**	**6,169**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,071	5,542
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(581)	(1,976)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(671)	(3,465)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,451	6,169

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**6,270**	**6,270**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	6,225	4,026
5.2	Call deposits	45	45
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,270**	**4,071**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	119
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

*6.1 comprises directors' fees & superannuation.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(581)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(671)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,252)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,270
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,270
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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