ELEMENTOS
TOMORROW'S TIN

Quarterly Report

For the quarter ending 31 December 2023

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Elementos is an ASX-listed tin company with two development assets in highly regulated and mature mining jurisdictions in Andalucía, Spain and Tasmania, Australia.

The company is well positioned to take advantage of the strong growth in global electronics, increased demand for critical metals, and a significant forecast supply shortfall of tin in the form of electronic solder.

The company is primarily focussed on developing the Oropesa Tin Project in Andalucía, Spain where it is currently moving through regulatory approvals and undertaking a DFS to formalise the techno-economic parameters and financial returns to support financing and offtake with the aim of constructing the project to deliver the first major tin mine for the European market.

Quarter Highlights

- Maiden Zinc (by-product) Mineral Resource Estimate for Oropesa Tin Project of 23.75mt @ 0.42% Zn.
- Progress continues with Andalucían authorities with regards to Oropesa project approvals.
- Australian government adds tin to its 'Strategic Minerals List'
- Tasmanian government to co-fund tungsten and tin exploration ($70,000.00) at Cleveland.
- Elementos Chairman supports the company with a $2.0m loan facility.

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Oropesa Tin Project

Andalucía, Spain

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

During the quarter the company continued to meet with the Andalucían authorities, with the goal of resolving the announced administrative permitting affairs first disclosed to the market during June-2023. The company remains officially engaged with all the necessary Andalucían Government stakeholders, both departmental and political, and believes a clear agreement on all the major issues has been reached which will result in acceptable modifications to the project and establish an agreed path forward to licencing. The company continues to await the formal notification from the authorities which will allow the company to both progress with the approvals process and complete the DFS. The company has been advised that formal communication should be received soon and will of course notify the market as soon as it is received.

In November, Elementos announced a maiden zinc Mineral Resource Estimate (MRE) for the Oropesa Tin Project of 24.75mt @ 0.42% Zn (96% classified as Measured and Indicated resources) (refer ASX announcement 29 November 2023).

The development of a by-product flow sheet to recover and produce a saleable zinc concentrate from material which would otherwise be sent to the tailings dam will deliver significant environmental, mining and economic benefits to complement the company's primary activities of production of tin concentrate.

The incremental capital and operating costs associated with producing zinc are likely to be relatively minor as most of the zinc mineralisation can be mined and processed along with the tin production with a relatively small additional circuit to recover the zinc that would have otherwise been expelled as metal waste into the tailings dam. The company will continue to evaluate the economics of the zinc by-product stream and consider it for inclusion in the Basis of Design of the Definitive Feasibility Study for the Oropesa Project.

Zinc production will not affect the main tin concentrate production at Oropesa. The Tin MRE remains unchanged at 19.6mt @ 0.39% Sn.

The Oropesa Tin Project's Zinc MRE has been completed by Elementos' geologists for the zinc mineralisation only. The MRE for tin (refer ASX announcement 14 February 2023) has not been altered for this report and has been re-produced for reference in this update.

The Mineral Resource Estimate for zinc is summarised in Table 1, and Figure 1.

OROPESA 2023 MINERAL RESOURCE ESTIMATE - Zinc (0.05% Zn cut-off)			
Resource Classification	**Zn%**	**Resource Tonnes**	**Contained Zinc Metal (tonnes)**
Measured	0.37	8,664,418	31,670
Indicated	0.39	14,052,877	54,356
Subtotal: Measured & Indicated	**0.38**	**22,717,295**	**86,026**
Inferred	1.32	1,028,073	13,545
Total	**0.42**	**23,745,368**	**99,571**

Table 1. *2023 Oropesa Mineral Resource Estimate for Zinc at a 0.05% Zn cut-off*

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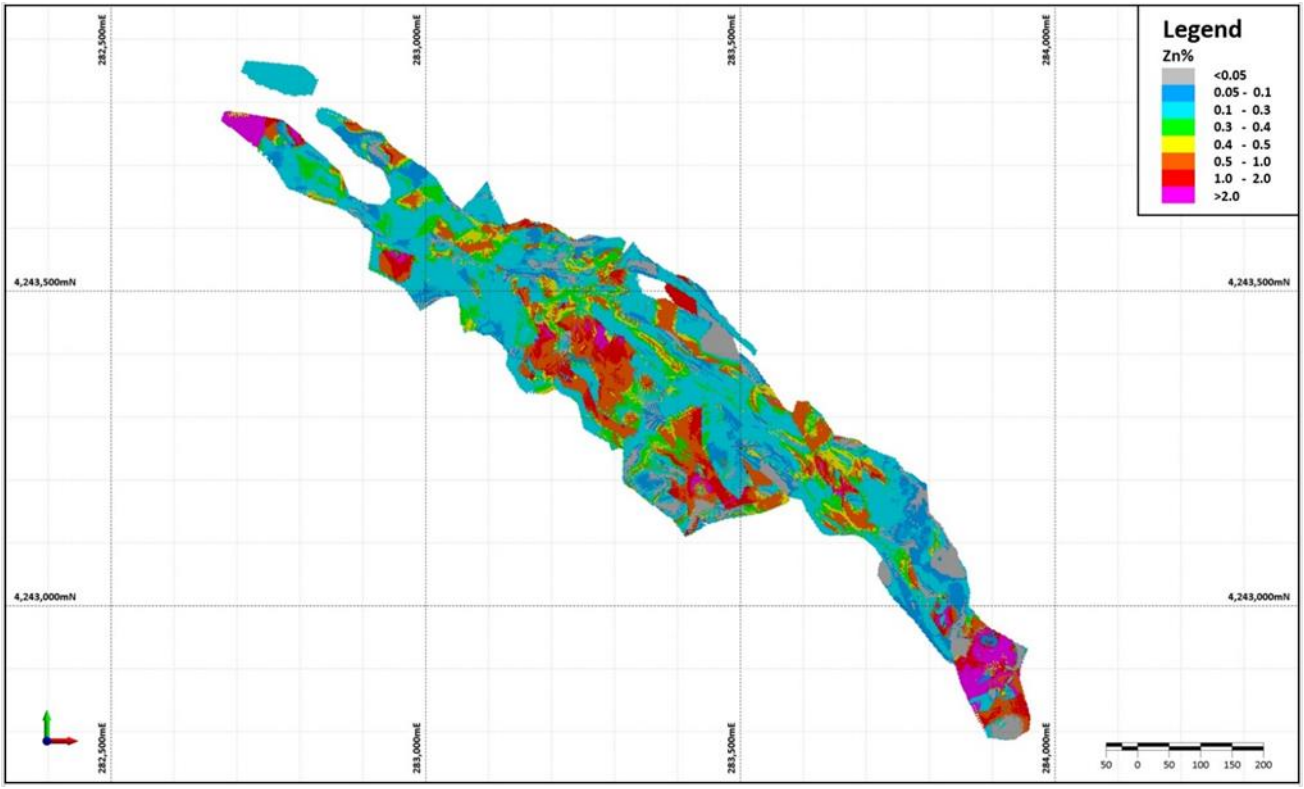

Figure 1. *Oropesa block model resource for zinc*

The Mineral Resource Estimate for tin remains unchanged and is summarised in Table 2 below.

OROPESA 2023 MINERAL RESOURCE ESTIMATE - Tin (0.15% Sn cut-off)			
Resource Classification	**Sn%**	**Resource Tonnes**	**Contained Tin Metal (tonnes)**
Measured	0.36	7,418,212	26,801
Indicated	0.41	11,113,471	45,012
Subtotal: Measured & Indicated	**0.39**	**18,531,683**	**71,813**
Inferred	0.38	1,070,700	4,021
Total	**0.39**	**19,602,383**	**75,834**

Table 2. *2023 Oropesa Mineral Resource Estimate for Tin at a 0.15% Sn cut-off (February 2023 MRE Announcement)*

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Update on DFS

During the period the DFS remained predominately on pause, whilst the company continued to seek clarity and establish the way forward with the Andalucían authorities regarding any changes to the project scope and layouts. The following DFS workstreams did progress during the quarter and the activities have been summarised below:

The Mineral Process Plant Package: The Mineral Process plant package continued to be developed with Duro Felguera during the quarter. The full package includes Crushing & Screening, Ore Sorting, Materials Handling, the Mineral Process Plant, Power Switchboard & Distribution & Non-Process Infrastructure (building, coms, pumping etc.). During the period DF made substantial progress in overall design, 3D modelling, offtake quantities, cost estimation, execution schedule development and further commercial EPC contract negotiations.

Power Transmission & Distribution Package: The company engaged Spanish civil designer Geolen to further develop the power step-down infrastructure & transmission routes to site from a new location nominated by utilities company Endesa.

Concentrate Offtake: The company continued to hold discussions with a number of commodity traders and smelters who have shown significant interest in the Oropesa projects tin concentrate. This follows on from the formalised market-wide Expression of Interest (EOI) process conducted by the company during Q2 & Q3 of 2023.

Insurance Packages: The company is working with Spanish insurance brokers to further define the insurance regime required to deliver the packages contemplated in the DFS related to project delivery.

Cleveland Tin Project

Tasmania, Australia

The 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.

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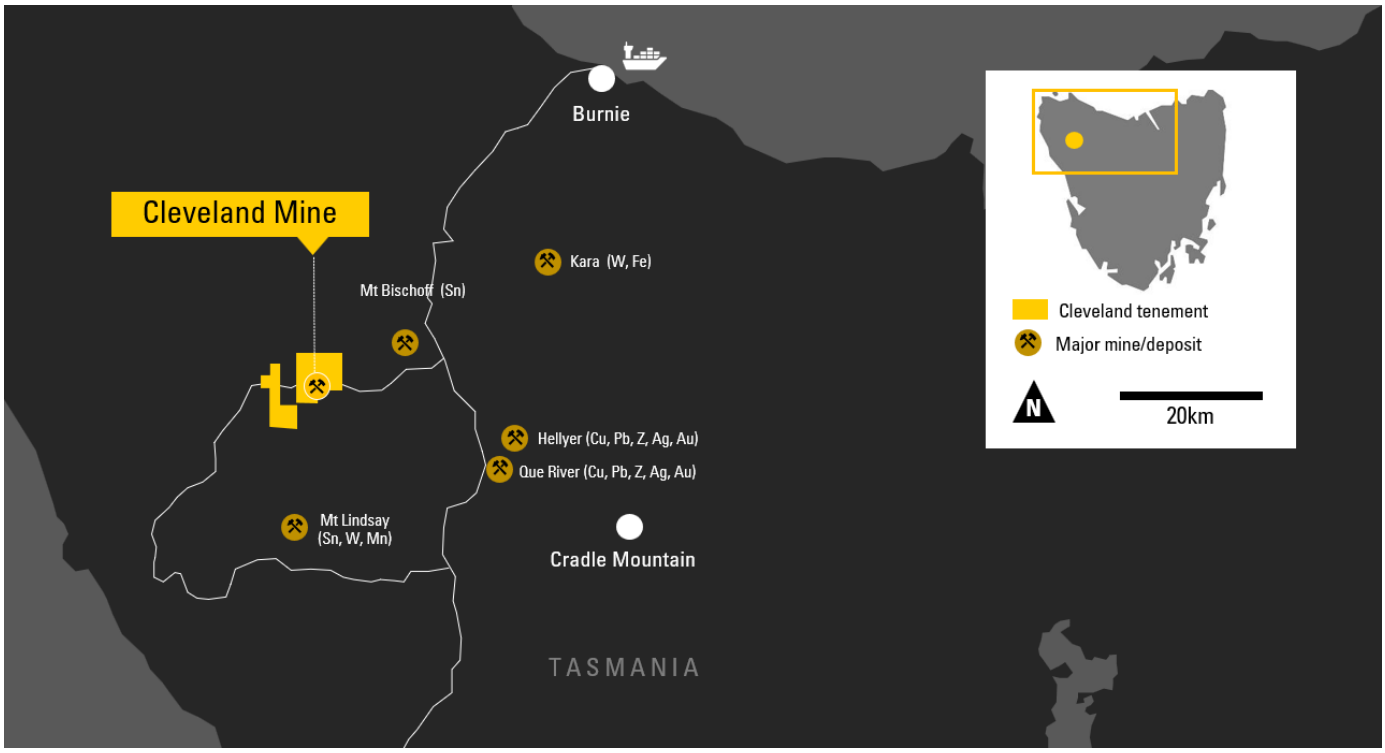

Figure 2. *Location of the Cleveland Tin Project, Tasmania*

During the period the company was awarded up to $70,000 from the Tasmanian Government's Exploration Drilling Grant Initiative program (EDGI) for drilling at its wholly owned Cleveland Tin Project to identify additional tungsten, tin, copper (and fluorite) mineralisation.

A 1,100m hole is planned at a new orientation to historical underground drilling to explore for unknown extensions to the historic tin and copper resources at the project, and to test the continuity and boundaries of the Tungsten Exploration Target* which was previously intersected below the company's 3.97Mt 0.3% WO3 JORC Inferred Tungsten Mineral Resource.

The EDGI grant is comprised of $70,000 to co-fund direct drilling costs. A standard Work Program Approval application will be lodged with Mineral Resources Tasmania for the drilling program.

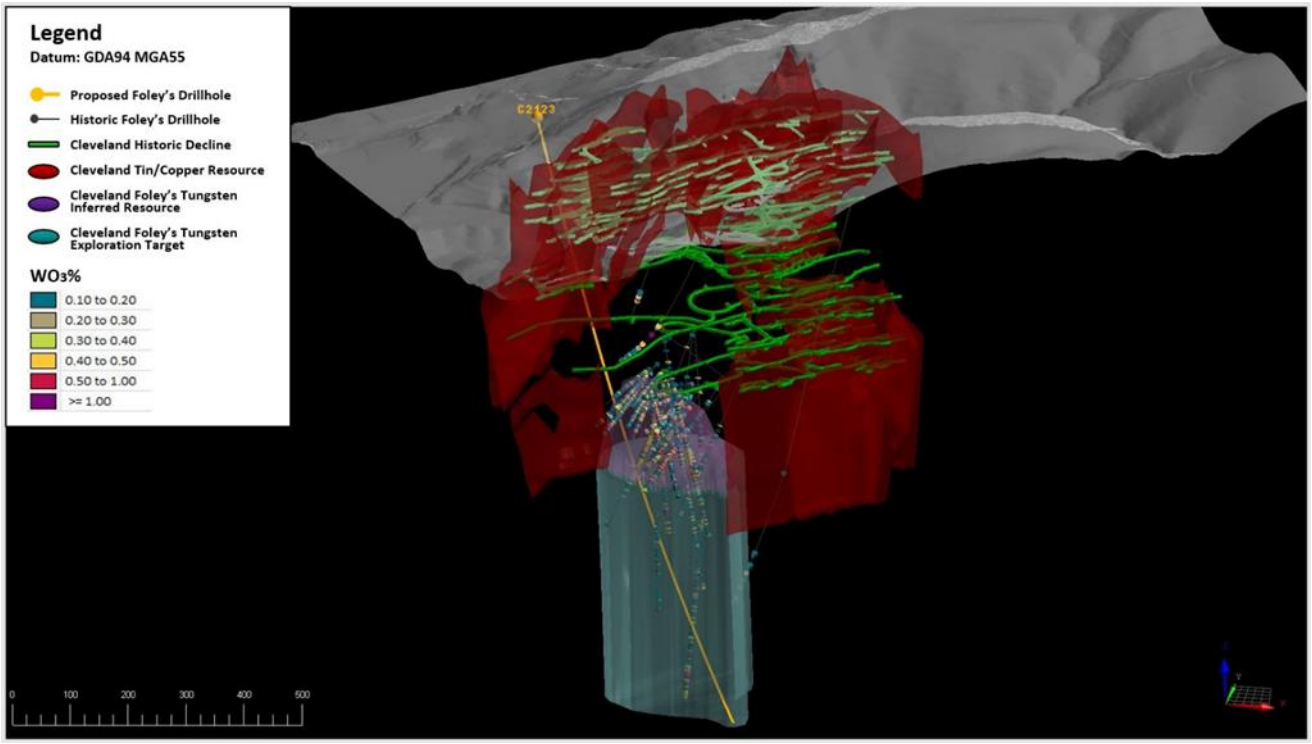

Figure 3 *. 3D overview of the proposed diamond drill hole into the Foley's Zone (looking from the south)*

** The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

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Corporate

Cash Position

At 31 December, cash at bank totalled ~$1.16 million and the company had on issue 194,740,085 Shares, 11,040,000 unlisted options at various prices and 3,300,000 unlisted performance rights.

Chairman supports company with $2.0 million Loan facility

Elementos Limited is pleased to inform the market it has entered into an unsecured Loan Facility ("Facility") with the company's largest shareholder and Non-Executive Chairman, Mr Andy Greig.

The key terms of the Facility include:

- Maximum loan value of AUD$2.0M for a maximum term of 24 months
- Ability to draw down in minimum tranches of $250,000 at the company's discretion
- Interest rate of 6% per annum on drawn funds
- Unsecured and no conversion rights
- No requirement for the company to repay principal or interest during the loan term
- Repayable by Elementos at any time during the loan term

The company's board (with Mr Greig abstaining) determined that the loan is on favourable, arm's length commercial terms and as such, resolved to execute the loan agreement.

Australian Government adds Tin to the Strategic Minerals List

On the 16th December 2023 the Australian Government added tin to a new 'Strategic Minerals List'. Like the 'Critical Minerals List', the new Strategic Materials List contains minerals:

- that are important for the global transition to net zero and broader strategic applications, specifically the priority technologies set out in the Critical Minerals Strategy
- for which Australia has geological potential for resources
- in demand from our strategic international partners.

The Strategic Materials List will let the government monitor the market developments for these minerals. It also signals the government's support for their continued development.

The new Strategic Materials List consists of 6 minerals: tin, copper, nickel, aluminium, phosphorous, zinc and is in addition to the 30 minerals listed on the Critical Minerals List.

The Oropesa and Cleveland projects have published Minerals Resource Estimates for three of the Australian Government's Strategic Minerals (Tin, Copper, Zinc) and one Critical Mineral (Tungsten).

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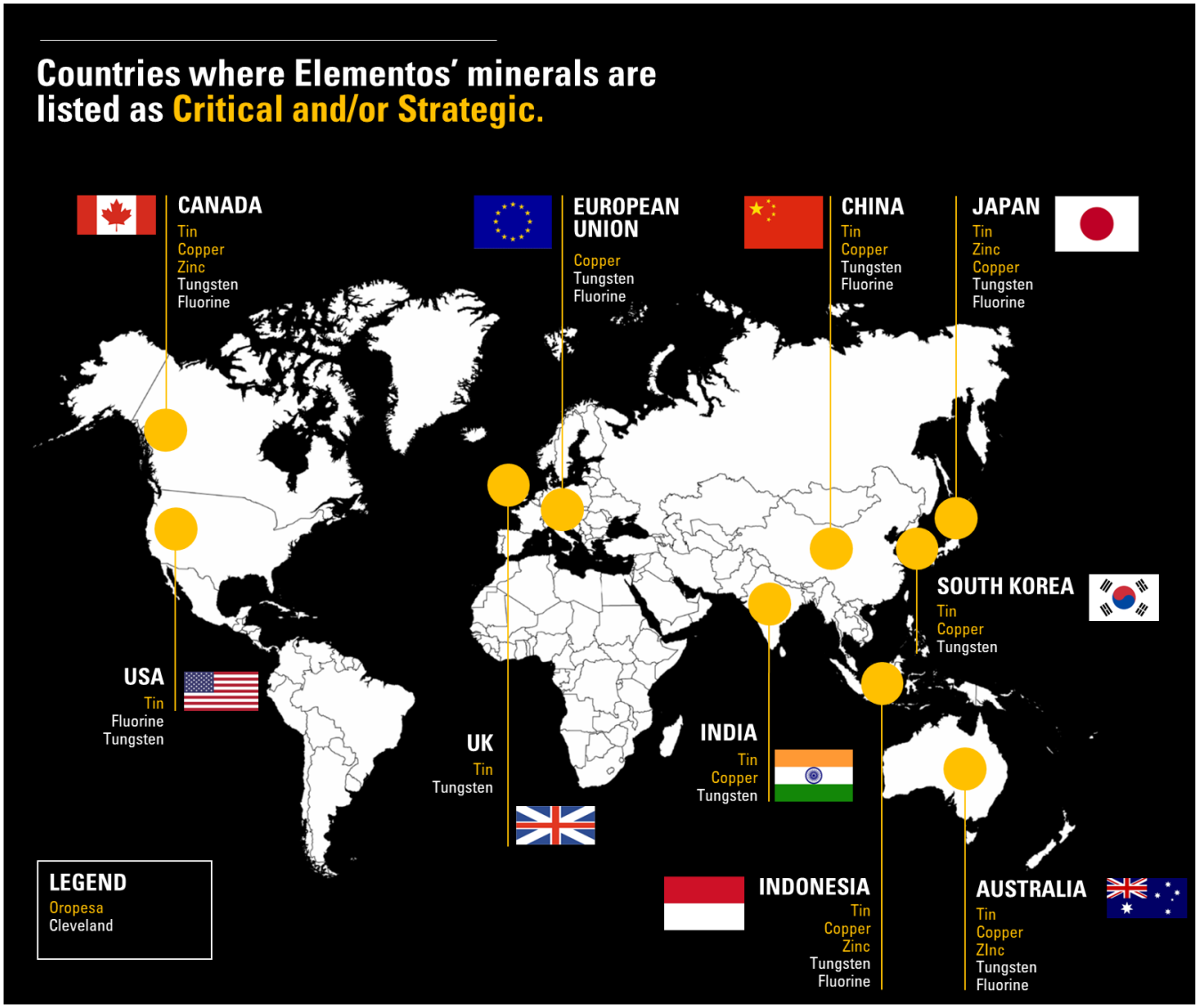

Figure 4. *The Critical and Strategic status of Elementos project minerals on global Government lists.*

Tin Pricing

The London Metals Exchange (LME) tin price increased 5.3% during the quarter from US$23,900/t to US$25,175/t as the market navigated a period of weak demand and even weaker supply (www.LME.com). The Shanghai Futures Exchange (SHFE) held steady moving only -0.15% during the quarter, closing at US$29,831/t (www.metal.com/tin).

Whilst tin metal inventories continued to rise on the to LME (~7,685t total) there was a significant -17% drop in metal levels on the SHFE (6,346t total). Concerns over the ability for Chinese smelters to source tin concentrate continue to be an area of market concern.. The tin mining bans announced by Myanmar's Wa state appear to still be in effect despite bans being lifted on other mineral commodities.

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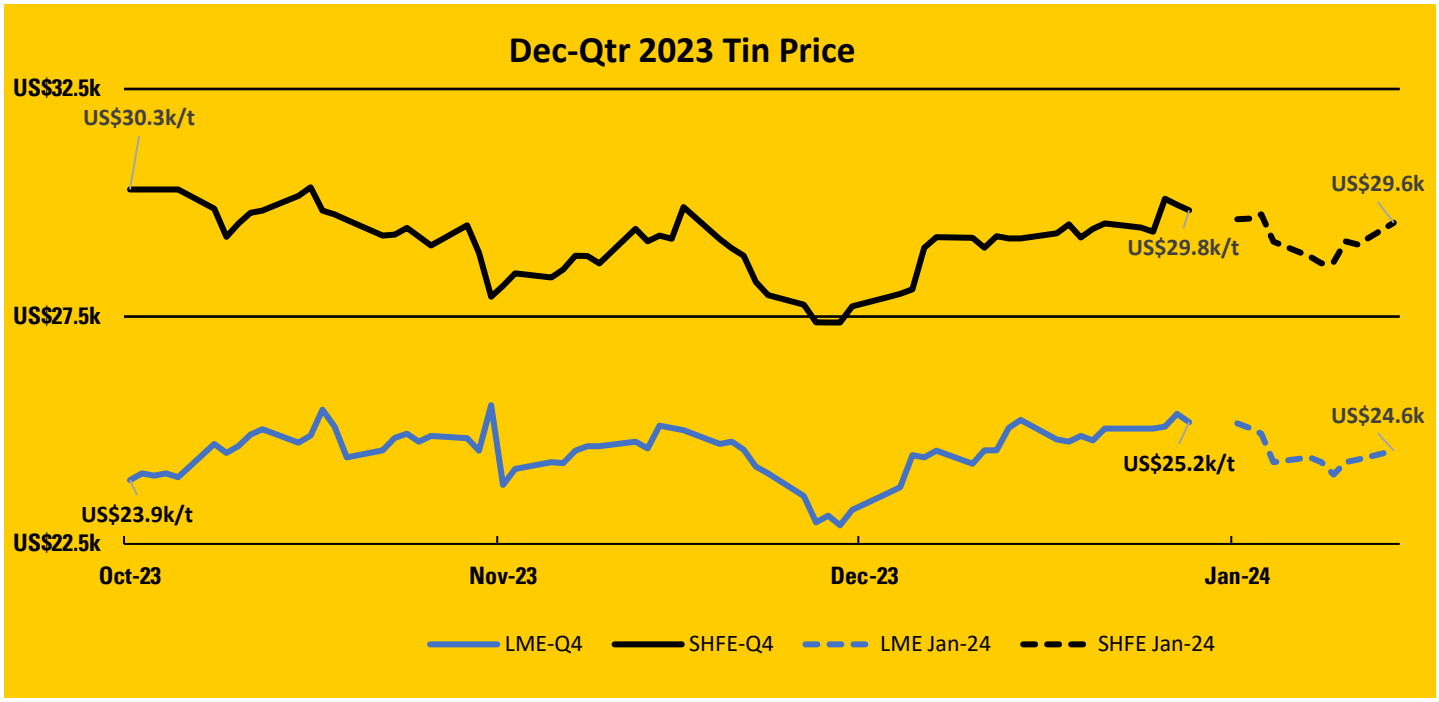

Figure 3. *Tin Price Movements on LME & SHFE*

ASX Listing Rule 5.3 disclosure

- During the quarter, payments for exploration and evaluation activities covering both the Oropesa and Cleveland projects totalled $617,000.
- Payments of $126,000 were made during the quarter to Related Parties, as reported in clause 6.1 of the ASX Appendix 5B (Cash Flow Report).

Tenements

At 31 December 2023, the company had interests in the following tenements. There were no changes in the company's interests in tenements during the quarter.

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.

Competent Persons Statement:

The information in this report that relates to the Mineral Resources and Ore Reserves Statement, Exploration Results and Exploration Targets is based on information and supporting documentation compiled by Mr Chris Creagh, who is a consultant to Elementos Ltd. Mr Creagh is a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and who consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Chris Creagh has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken

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to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

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. "Maiden Zinc Mineral Resource at Oropesa Tin Project" 29 November 2023
2. "Elementos confirms zinc at Oropesa Tin Project" 3 August 2023
3. "Final Oropesa Tin Project Assays" 22 June 2023
4. "Update on Regulatory Approvals and DFS" 20 June 2023
5. "Additional tin intersected outside Oropesa Mineral Resource" 16 May 2023
6. "Oropesa Tin Project – 2023 Mineral Resource Update" 14 February 2023
7. "Elementos completes placement for Oropesa Tin Project DFS" 5 April 2023
8. "Optimisation Study Oropesa Tin Project" 29 March 2022
9. "Oropesa DFS Commencement" 12 July 2021

ASX Announcements during the Quarter

The following announcements were lodged on the ASX Market Announcements Platform during the quarter:

Date	Description
29-Nov-23	Mines & Money London - Investor Presentation
29-Nov-23	Maiden Zinc Mineral Resource at Oropesa Tin Project
20-Nov-23	Change of Director's Interest Notice x2
20-Nov-23	Notification regarding unquoted securities - ELT
17-Nov-23	Results of Meeting
02-Nov-23	IMARC 2023 Investor Conference Presentation
31-Oct-23	Quarterly Activities/Appendix 5B Cash Flow Report
16-Oct-23	Notice of Annual General Meeting/Proxy Form
12-Oct-23	Change in substantial holding

These announcements are available for viewing on the Company's website at **elementos.com.au**.

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
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Email: jd@elementos.com

Please visit us at: www.elementos.com

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Company Profile

Elementos Limited's strategy is to deliver sustainable shareholder value through the development of its portfolio of tin assets including Oropesa in Andalucía, Spain and Cleveland in Tasmania, Australia.

The company is focussed on maturing the Oropesa Tin Project through a Definitive Feasibility Study (DFS) after confirming it is one of the largest undeveloped tin Mineral Resources in the world.

At Oropesa, a Feb-2023 Mineral Resource Estimate (MRE) resulted in a total MRE increase of 0.7Mt (+4%) to 19.6Mt at 0.39% Sn with 100% of the tonnes located within the 2022 Optimisation Study[1] US$30k/t Pit Shell being classified as Measured or Indicated (no Inferred Resources).

In addition, Elementos continues to develop the Cleveland tin-copper and tungsten project in Tasmania, with the immediate focus on determining the potential to increase the mineralisation of the project through exploration on prospective targets adjacent to and below the existing resource.

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Appendix 5B

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

Name of entity

Elementos Limited

ABN	Quarter ended ("current quarter")
49 138 468 756	31 December 2023

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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	(236)	(471)
	(e) administration and corporate costs	(141)	(382)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	14
1.5	Interest and other costs of finance paid	(2)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (details)	-	-
1.9	**Net cash from / (used in) operating activities**	**(375)**	**(842)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(617)	(1,426)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**(617)**	**(1,426)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal portion of finance leases)	(12)	(23)
3.10	**Net cash from / (used in) financing activities**	**(12)**	**(23)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,163	3,450
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(375)	(842)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(617)	(1,426)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(12)	(23)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,159**	**1,159**

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	1,113	2,117
5.2	Call deposits	46	46
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)**	**1,159**	**2,163**

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	126
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)	(375)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(617)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(992)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,159
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,159
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.2

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: Yes.

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: On 22 January 2024 the Company entered into an unsecured $2m Loan Facility with Mr Andy Greig the Company's largest shareholder and Non-Executive Chairman. Key terms of the facility have been included in the quarterly operations report.

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: Yes - as a result of the funding arrangements detailed in 8.8.2 above.

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: 23 January 2024

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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