ELEMENTOS
TOMORROW'S TIN

CONSOLIDATED HALF YEAR REPORT

For the half year ended 31 December 2023

ABN 49 138 468 756

Contents

Cautionary Statements

Forward-looking statements

This report 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 report 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 Presentation. 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) contained in the announcement released to the ASX on 29 March 2022. All material assumptions and technical parameters underpinning the production target and forecast financial information contained in the Study continue to apply and have not materially changed.

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.

Mineral Resources and Ore Reserves

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:

- Cleveland JORC Resource Significantly Expanded, 5 March 2014 (tungsten resource);
- Acquisition of the Oropesa Tin Project, 31st July 2018;
- Substantial Increase in Cleveland Open Pit Project Resources following revised JORC study, 26th September 2018;
- Positive Economic Study for the Oropesa Tin Project, 7th May 2020;
- Oropesa DFS Commencement, 12 July 2021

- Oropesa Tin Project – Mineral Resource Estimate, 8 Nov 2021
- Optimisation Study Oropesa Tin Project, 29 March 2022
- Oropesa Tin Project 2023 Mineral Resource Update, 14 February 2023
- Maiden Zinc Mineral Resource at Oropesa Tin Project. 19 November 2023

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.

No Ore Reserve for the Oropesa Project has been declared. This Report 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, including previous or referenced releases.

Competent Person Statement

The information in this report that relates to Mineral Resources and Ore Reserves Statements, Exploration Results and Exploration Targets is based on information and supporting documentation compiled by Mr Chris Creagh, who is an employee of 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 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 information in this report that relates to Processing and Metallurgy for the Oropesa Tin Project is based on and fairly represents information and supporting documentation compiled by Chris Creagh, who is a part-time employee of 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 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.

Corporate Information

Directors and Company Secretary

Mr Andy Greig (Non-executive Chairman)
Mr Joe David (Managing Director)
Mr Corey Nolan (Non-executive Director)
Mr Calvin Treacy (Non-executive Director)
Mr Duncan Cornish (Company Secretary)

Head Office and Registered Office

Elementos Limited
Level 7, 167 Eagle Street
Brisbane City QLD 4000
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www.elementos.com.au

Auditor

BDO Audit Pty Ltd
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Brisbane QLD 4000
Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Tel: 1300 737 760
Fax: 1300 653 459
www.boardroomlimited.com.au

Stock Exchange Listing

Australian Securities Exchange Ltd
ASX Code: ELT

Australian Business Number

49 138 468 756

Directors' Report

Your directors submit the financial report on Elementos Limited (the "Company") and its controlled entities (the "consolidated entity" or "Group") for the half-year ended 31 December 2023.

Directors

The following persons were directors of the Company during or since the end of the financial period:

- Andy Greig
- Joe David
- Corey Nolan
- Calvin Treacy

Review of Operations

The Group's operating loss for the half-year, after applicable income tax was $949,087.

At 31 December 2023, the Group's net assets totalled $20,953,367, which included cash assets of $1,159,284.

During the period, the Company's principal activity was continuing exploration activities at both the Oropesa Tin Project and Cleveland Tin Project.

Oropesa Tin Project – 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 mineable tin deposits, with access to world class infrastructure. The project is 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.

Figure 1. *Location of Oropesa Tin Project, Spain.*

Maiden Zinc Mineral Resource Estimate (MRE)

In November 2023, Elementos announced a maiden zinc MRE for the Oropesa Tin Project of 23.75mt @ 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 reproduced for reference.

The MRE for zinc is summarised in Table 2, and Figure 3.

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 2**. 2023 Oropesa Mineral Resource Estimate for Zinc at a 0.05% Zn cut-off*

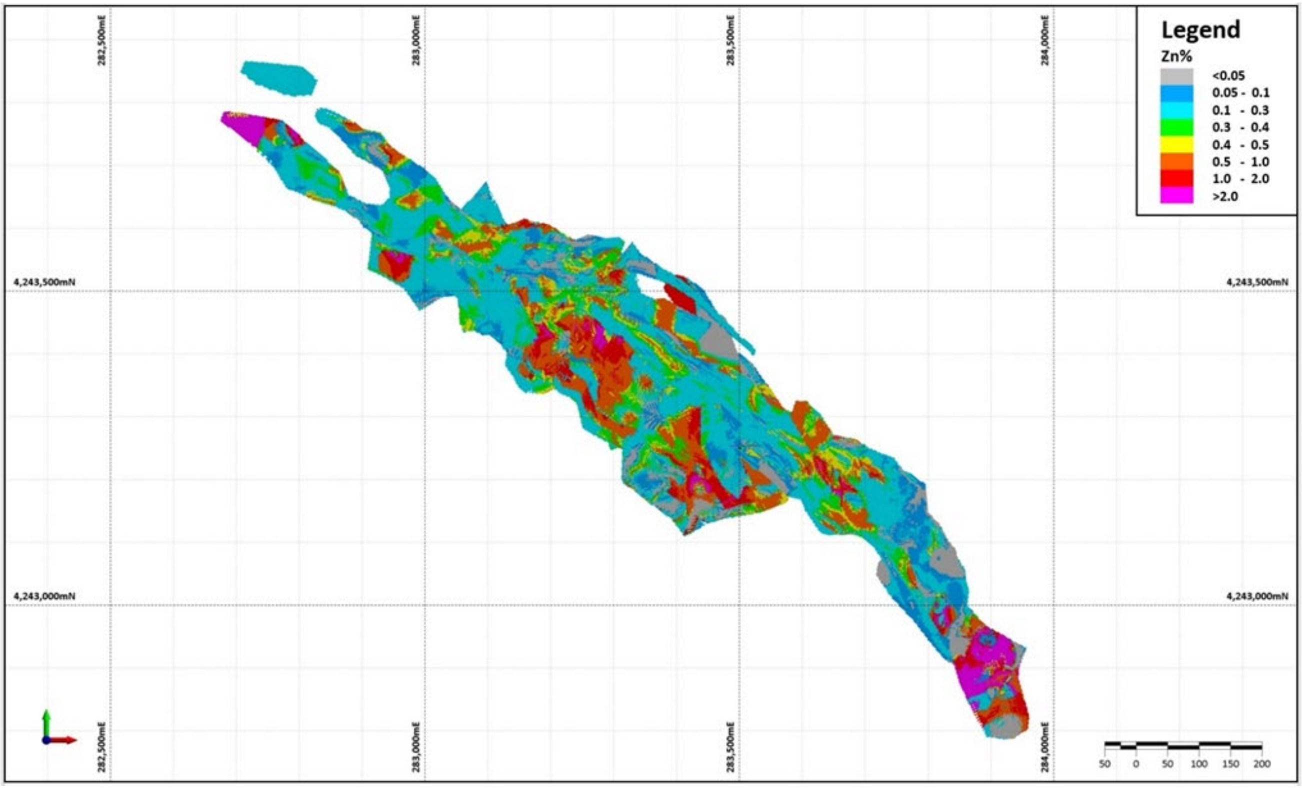


***Figure 3**. Oropesa block model resource for zinc*

The MRE for tin remains unchanged and is summarised in Table 3 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 3**. 2023 Oropesa Mineral Resource Estimate for Tin at a 0.15% Sn cut-off (February 2023 MRE Announcement)*

Update on Regulatory Approvals

The company received correspondence on 20 June 2023, from the local department considering its Environmental Application, stating that they considered elements of the proposed mining project and treatment plant were not fully compatible with certain environmental regulations.

Throughout the period, the company regularly met with the Andalucían authorities, with the goal of resolving the administrative permitting affairs. The company remains officially and deeply engaged with all the Andalusian Government stakeholders, both departmental and political, and believes a clear agreement on all the major issues will be 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 will notify the market as soon as official correspondence is received.

Update on Definitive Feasibility Study (DFS) Progress

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 have been progressed and are summarised below:

The Mineral Process Plant Package: The Mineral Process plant package continued to be developed with Duro Felguera (DF) during the half. 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.

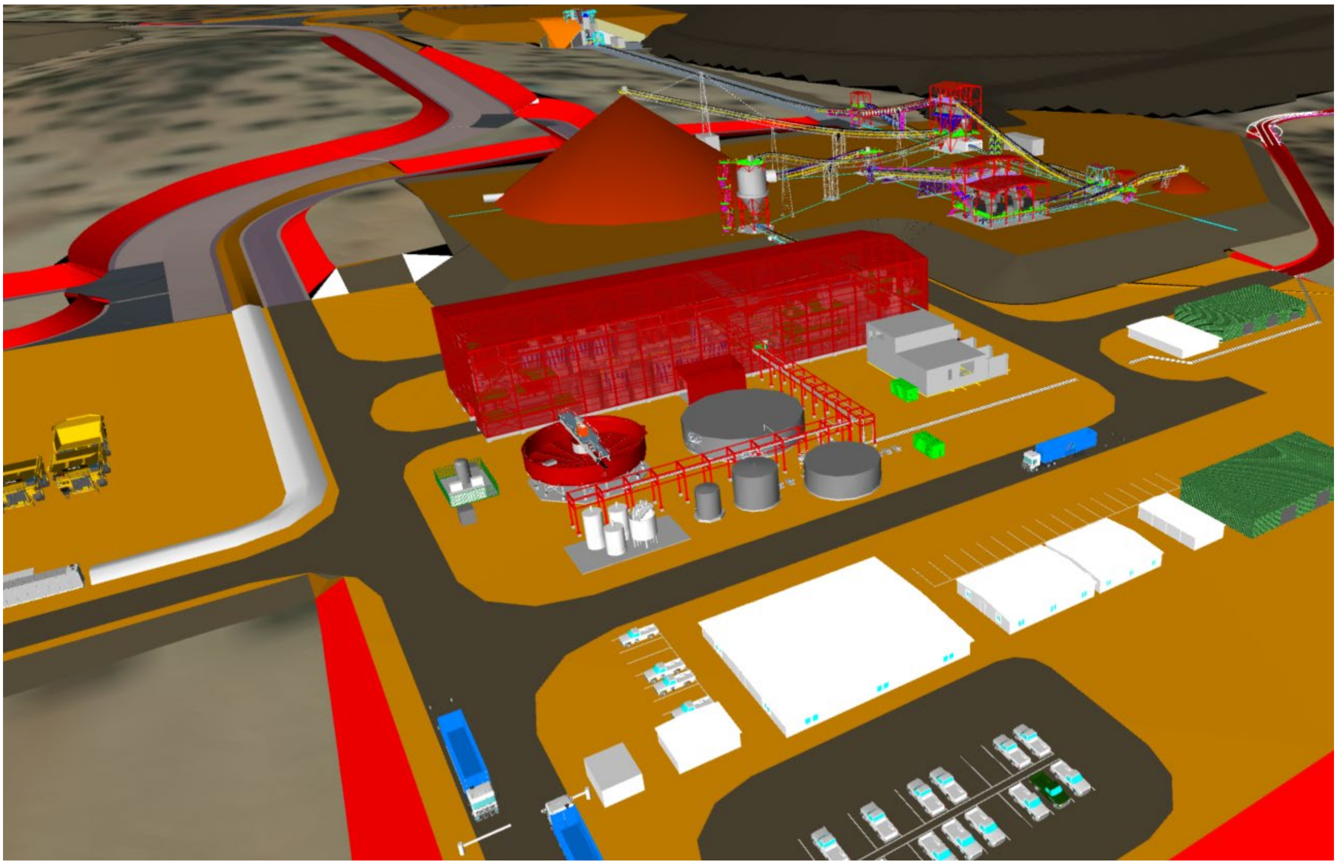


Figure 4. *Oropesa Project 3D Model Infrastructure - Mineral Process Plant, Offices, Mine Contractor Area, Crushing and Ore Sorting*

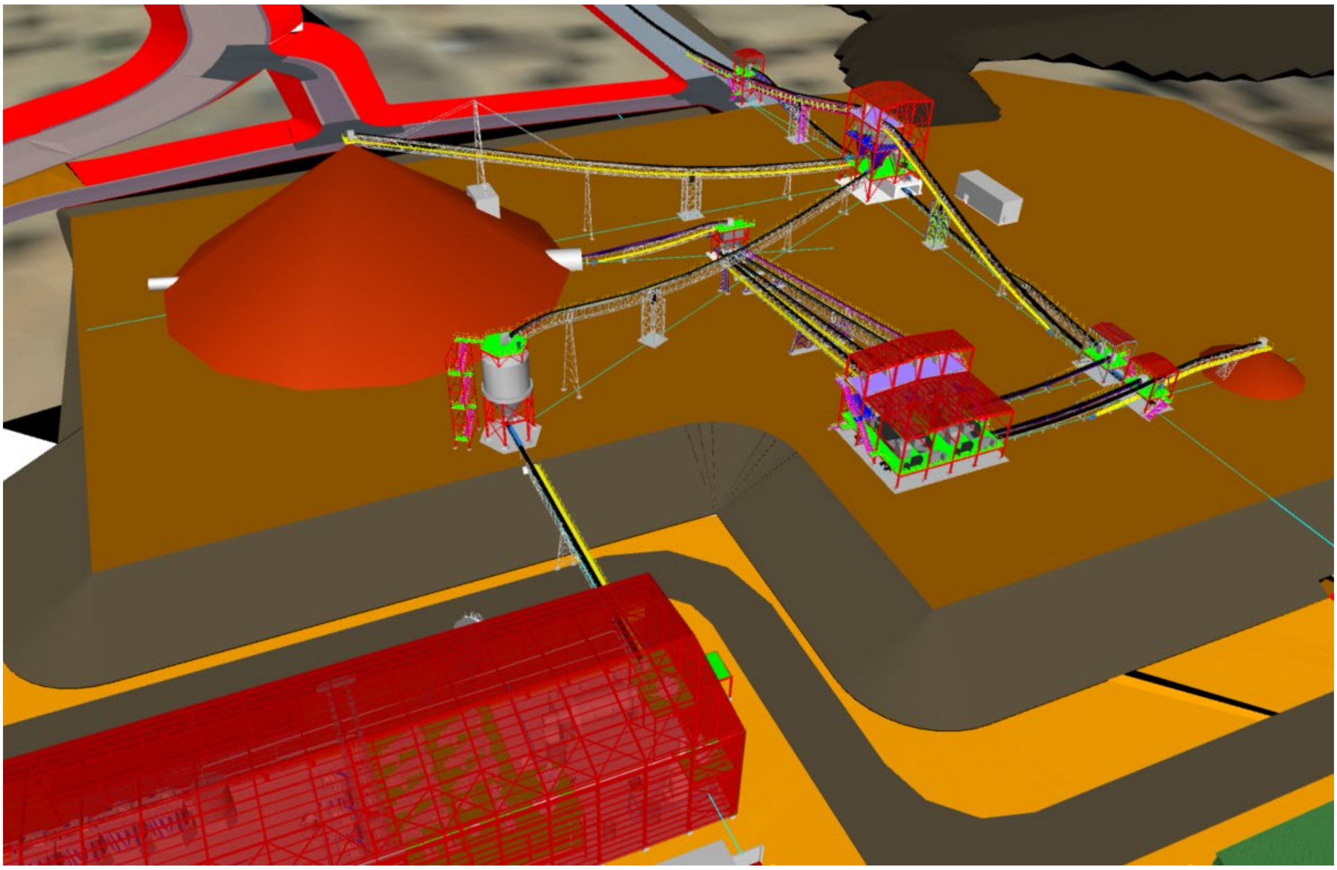


Figure 5. *Oropesa Project 3D Model Infrastructure – Mineral Processing Plant and Secondary and Tertiary Crushing and Ore Sorting*

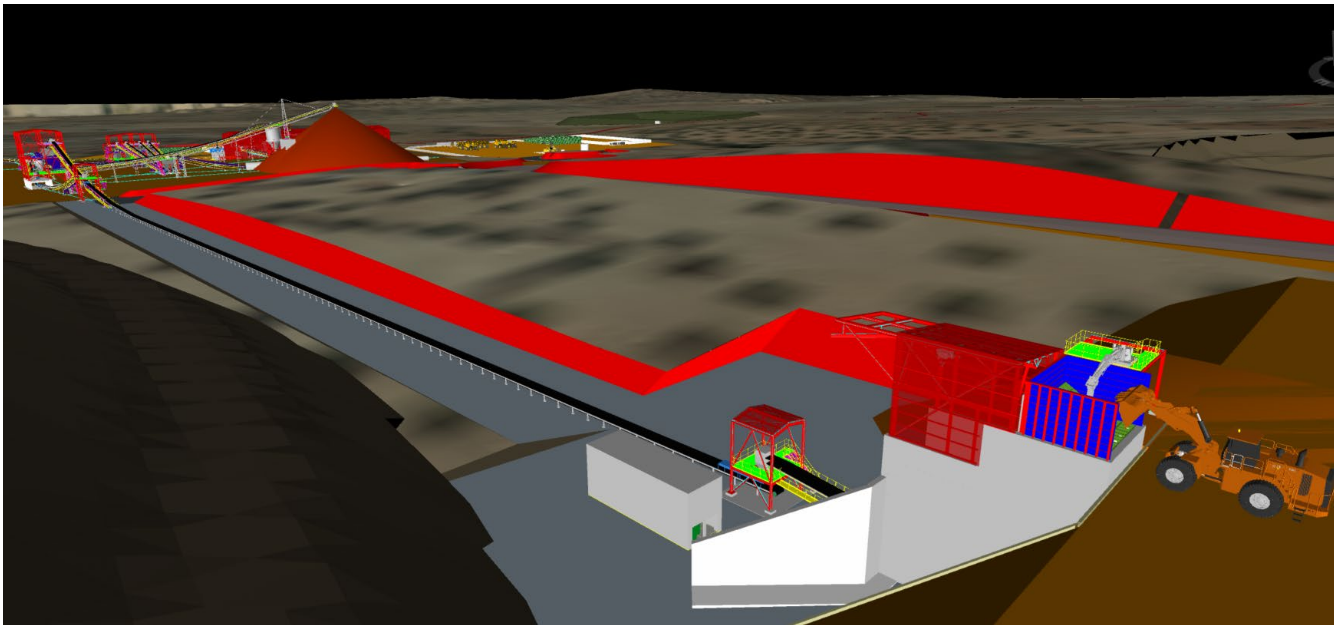


Figure 6. *Oropesa Project 3D Model Infrastructure - Primary Crushing, & Overland Conveyor to rest of Infrastructure*

Cleveland Project – Tasmania

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.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.

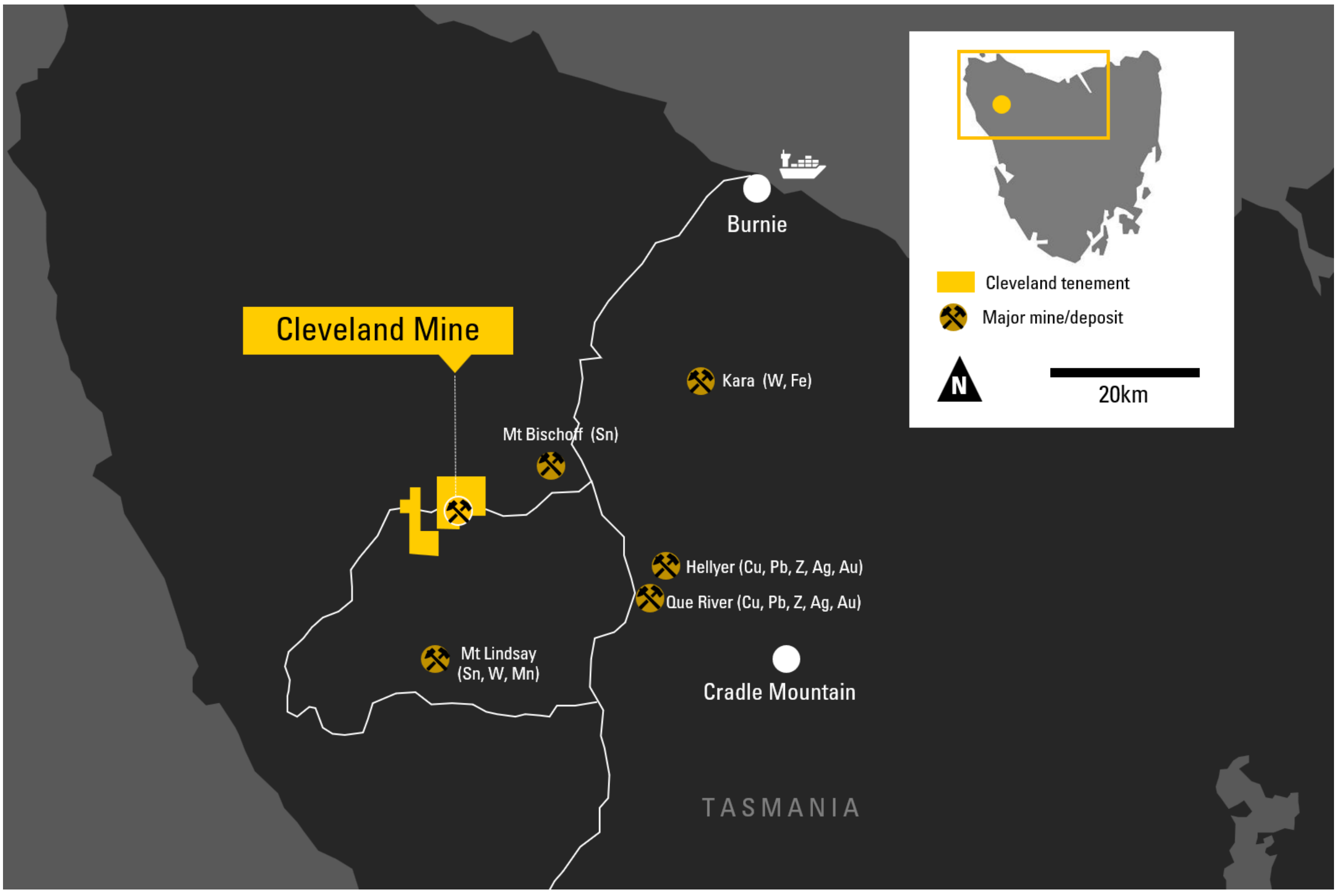


Figure 4. *Location of the Cleveland Tin Project, Tasmania*

* 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.

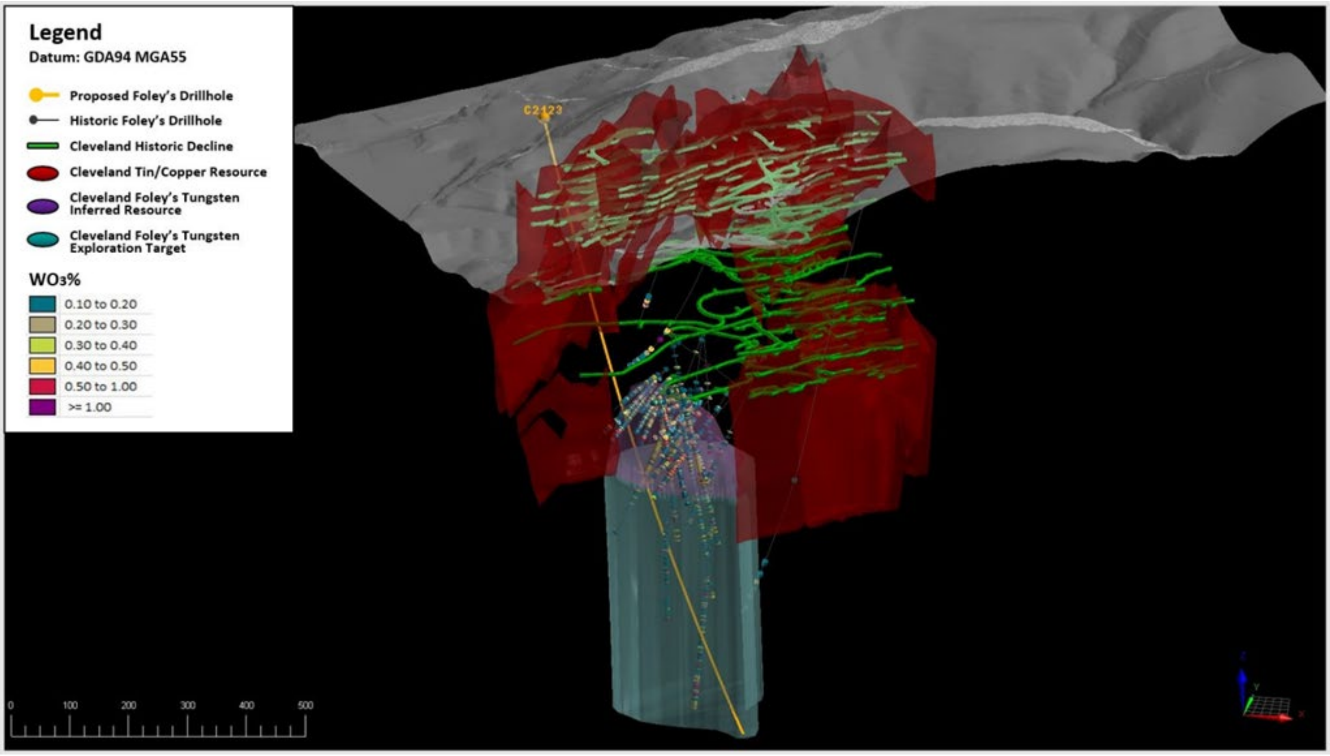


Figure 5. *Plan depicting the location of the 2022 Cleveland Diamond Drilling Program (drill hole geology, see drill hole C2120 following)*

Australian Government adds tin to a new "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 list consists of six 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).

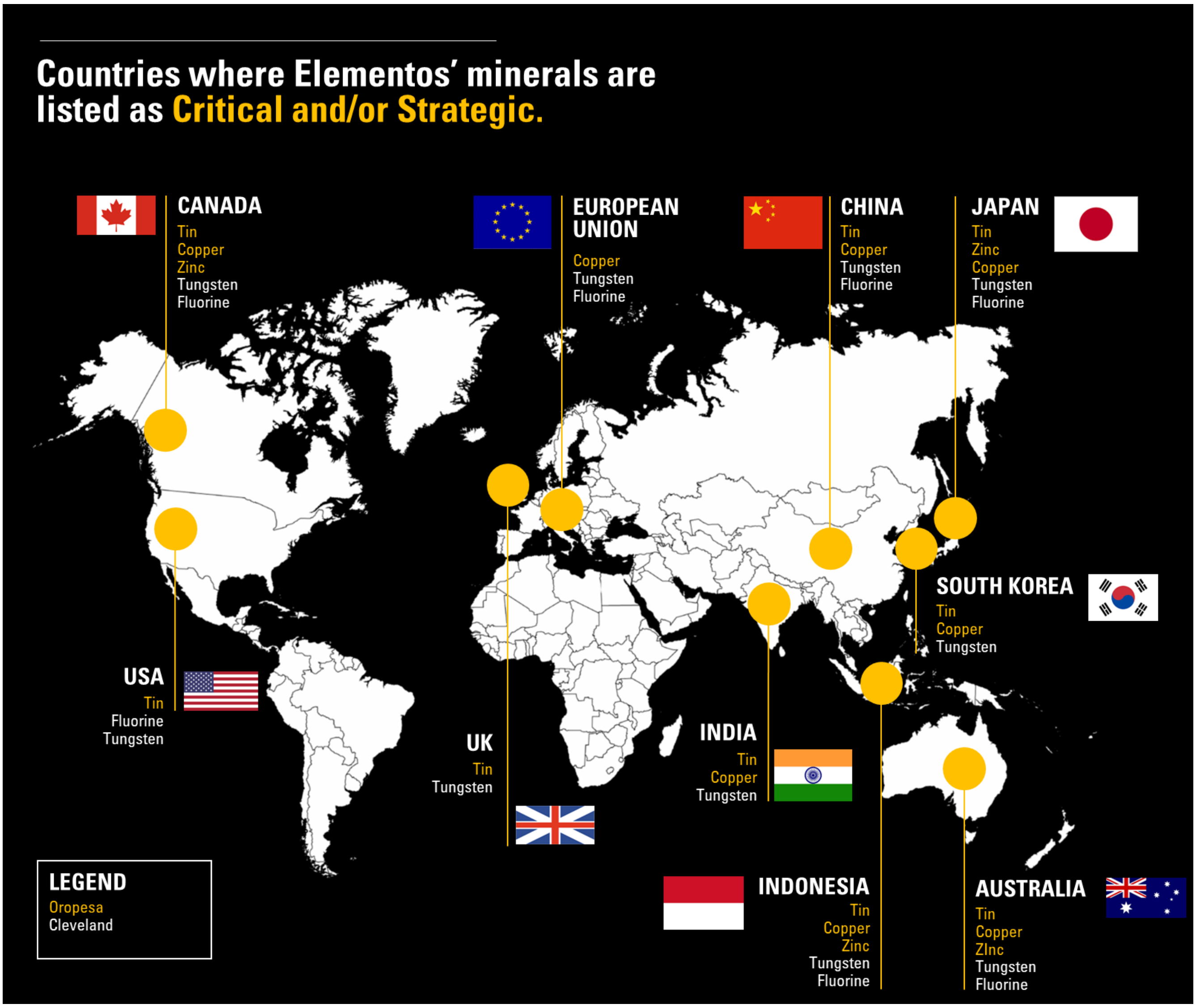


Figure 6. *The Critical and Strategic status of Elementos project minerals on global Government lists.*

Corporate

Cash Position

At 31 December 2023, 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 2,700,000 unlisted performance rights.

Subsequent Events

The following significant events occurred subsequent to the reporting date:

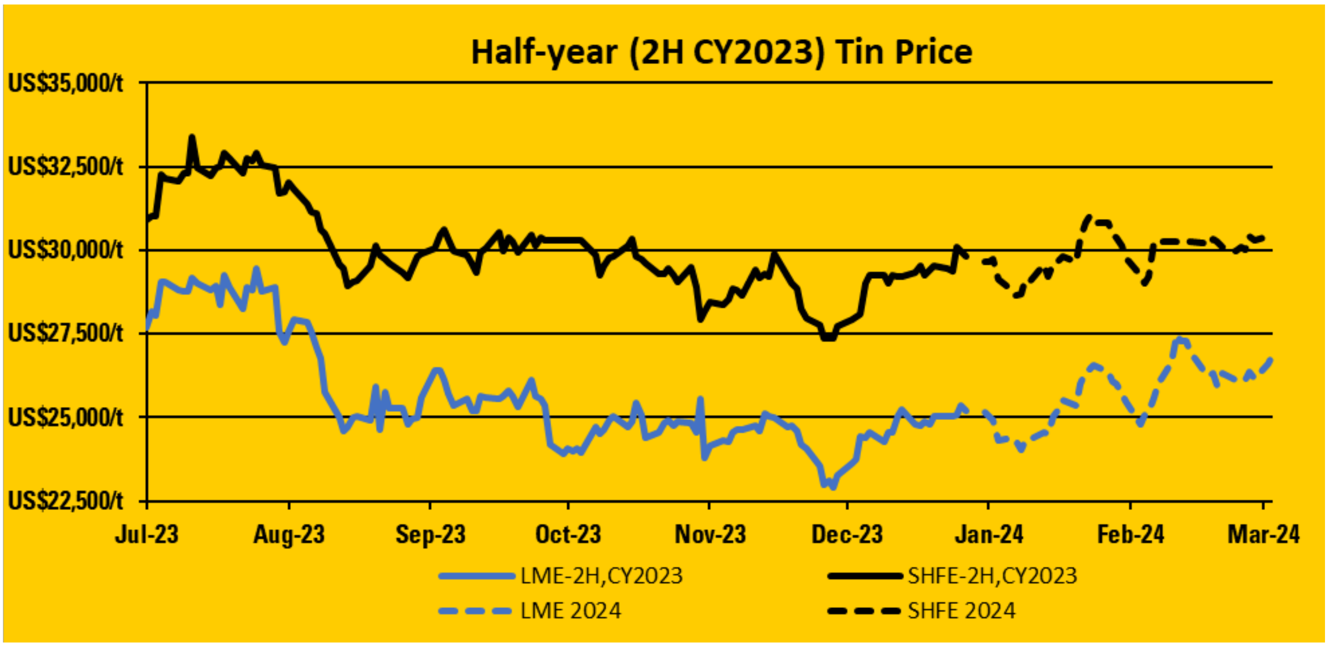
On 23 January 2024 Elementos entered into an unsecured Loan Facility ("Facility") with the company's largest shareholder and Non-Executive Chairman, Mr Andy Greig. The key terms of the Facility include:

- 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

Tin Pricing

The London Metals Exchange (LME) tin price decreased 9.1% over the half-year period from US$27,700/t (3 July 2023) to US$25,175/t (29 December 2023) www.LME.com as the market navigated a period of weak demand (caused by high inflation, interest rate increases and Chinese lockdowns) and even weaker supply. The supply side challenges continue to persist with major tin producers China, Myanmar & Indonesia all experiencing significant concentrate or metal supply issues during the period.

Subsequent, to the period ending both the LME and Shanghai Futures (SHFE) tin prices have rebounded. On the 5th of March the LME closing at US$26,824/t and the SHFE at US$30,414/t.



Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included in this financial report.

Signed in accordance with a resolution of the Board of Directors.

Joe David
Managing Director
13 March 2024, Brisbane

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY A J WHYTE TO THE DIRECTORS OF ELEMENTOS LIMITED

As lead auditor for the review of Elementos Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elementos Limited and the entities it controlled during the period.

A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 13 March 2024

Consolidated Statement of Comprehensive Income for the Half-Year Ended 31 December 2023

	Note	31 Dec 2023 $	31 Dec 2022 $
Interest Income		14,001	15,361
Other income		-	50,000
Less expenses:			
Corporate and administrative expenses	2	(961,277)	(1,067,312)
Foreign currency gain / (loss)		(1,811)	(5,102)
Loss before income tax expense		(949,087)	(1,007,053)
Income tax expense		-	-
Loss for the period attributable to members of the parent entity		(949,087)	(1,007,053)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange gain / (losses) on translation of foreign operations		(147,522)	326,269
Other comprehensive income for the period, net of tax		(147,522)	326,269
Total comprehensive income attributable to members of the parent entity		**(1,096,609)**	**(680,784)**
Basic loss per share (cents per share)	9	(0.49)	(0.57)
Diluted loss per share (cents per share)	9	(0.49)	(0.57)

The accompanying notes form part of this financial statement.

Consolidated Statement of Financial Position as at 31 December 2023

	Note	31 Dec 2023 $	30 Jun 2023 $
CURRENT ASSETS			
Cash and cash equivalents		1,159,284	3,449,654
Trade and other receivables		120,069	287,333
Other current assets		48,997	9,362
Total Current Assets		1,328,350	3,746,349
NON-CURRENT ASSETS			
Exploration and evaluation assets	3	19,964,341	19,007,033
Property, plant and equipment		52,325	57,754
Right of use assets		85,183	6,686
Other non-current assets		143,544	144,950
Total Non-Current Assets		20,245,393	19,216,423
TOTAL ASSETS		21,573,743	22,962,772
CURRENT LIABILITIES			
Trade and other payables	4	533,751	1,041,831
Lease liability		49,988	7,063
Total Current Liabilities		583,739	1,048,894
NON-CURRENT LIABILITIES			
Lease liability		36,637	-
Total Non-Current Liabilities		36,637	-
TOTAL LIABILITIES		620,376	1,048,894
NET ASSETS		**20,953,367**	**21,913,878**
EQUITY			
Issued capital	8	39,262,318	39,262,318
Reserves		1,339,251	1,350,675
Accumulated losses		(19,648,202)	(18,699,115)
TOTAL EQUITY		**20,953,367**	**21,913,878**

The accompanying notes form part of this financial statement.

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2023

	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2022	**36,165,450**	**(16,473,808)**	**831,735**	**(503,531)**	**20,019,846**
Loss for the period	-	(1,007,053)	-	-	(1,007,053)
Translation exchange gain	-	-	-	326,269	326,269
Total comprehensive income	-	(1,007,053)	-	326,269	(680,784)
Issue of shares	225,002	-	-	-	225,002
Transaction costs	(3,749)	-	-	-	(3,749)
Issue of options and performance rights	-	-	101,014	-	101,014
Balance at 31 December 2022	**36,386,703**	**(17,480,861)**	**932,749**	**(177,262)**	**19,661,329**
Balance at 1 July 2023	**39,262,318**	**(18,699,115)**	**1,110,058**	**240,617**	**21,913,878**
Loss for the period	-	(949,087)	-	-	(949,087)
Translation exchange loss	-	-	-	(147,522)	(147,522)
Total comprehensive income	-	(949,087)	-	(147,522)	(1,096,609)
Issue of options and performance rights	-	-	136,098	-	136,098
Balance at 31 December 2023	**39,262,318**	**(19,648,202)**	**1,246,156**	**93,095**	**20,953,367**

The accompanying notes form part of this financial statement.

Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2023

	31 Dec 2023 $	31 Dec 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(858,426)	(944,342)
Interest received	14,001	15,361
Interest expense	(2,598)	(3,723)
VAT received	266,440	659,949
Other receipts	-	50,000
Net cash used in operating activities	(580,583)	(222,755)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(1,687,143)	(2,133,007)
Payments for property, plant and equipment	-	(61,583)
Cash used in investing activities	(1,687,143)	(2,194,590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	225,002
Costs associated with share issue	-	(3,749)
Lease payments	(22,657)	(30,276)
Net cash provided by/(used in) financing activities	(22,657)	190,977
Net increase/(decrease) in cash held	(2,290,383)	(2,226,368)
Net foreign exchange difference	13	(322)
Cash at beginning of period	3,449,654	6,270,173
Cash at end of period	**1,159,284**	**4,043,483**

The accompanying notes form part of this financial statement.

Notes to the Financial Statements for the Half -Year Ended 31 December 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting". The historical cost basis has been used.

This interim financial report does not include all notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report of Elementos Limited (the "Company") and its controlled entities (together the "Group") as at 30 June 2023, together with public announcements made by the Company during the interim reporting period in accordance with its continuous disclosure obligations.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2023 Annual Report, except as noted below.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period. The impact of the adoption of these standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Group has not generated any revenues from operations. As at 31 December 2023 the Group had cash reserves of $1,159,284, net current assets of $744,611 and net assets of $20,953,367. Subsequent to balance date the Group has entered into a loan agreement for a maximum of $2,000,000. Refer to note 6 for further details. The Group incurred a net loss of $949,087 for the half year ended 31 December 2023 and had an outflow of $580,583 of cash from operating activities and $1,687,143 from investing activities.

The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on the ability of the Group to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Group has funded its activities through the issuance of equity securities, and it is expected that the Group will be able to fund its future activities through further issuances of equity securities; and

- The directors believe there is sufficient cash available for the Group to continue operating based on the Company's cash flow forecast.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

NOTE 2: RESULTS FOR THE PERIOD

	31 Dec 2023 $	31 Dec 2022 $
The following income and expense items are relevant in explaining the financial performance for the interim period:		
Depreciation	(29,706)	(23,223)
ASX, ASIC, share registry expenses	(38,073)	(72,083)
Business development and investor relations costs	(50,553)	(74,460)
Legal fees	(9,145)	(19,692)
Insurances	(13,563)	(28,765)
Audit and external accounting/advice fees	(41,646)	(44,768)
Interest expense	(2,598)	(1,885)
Employee benefits expense comprises:		
Salaries and wages	(363,429)	(422,141)
Consulting fees	(148,480)	(88,060)
Superannuation	(37,890)	(41,878)
Equity settled performance rights and options	(136,098)	(101,014)
Annual leave expensed	(23,705)	(14,593)

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2023 $	30 June 2023 $
Exploration and evaluation expenditure carried forward in respect of the areas of interest are:		
Exploration and evaluation expenditure	19,964,341	19,007,033
Movement in exploration and evaluation assets:		
Opening balance – at cost (1 July)	19,007,033	13,901,380
Capitalised exploration expenditure	1,098,486	4,315,361
Foreign exchange differences	(141,178)	790,292
Carrying amount at the end of period	**19,964,341**	**19,007,033**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively through the sale of the areas of interest. The Directors have assessed the exploration and evaluation assets recognised as at 31 December 2023 and the facts and circumstances do not suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

NOTE 4: TRADE AND OTHER PAYABLES

	31 Dec 2023 $	30 June 2023 $
Current:		
Trade payables and accrued expenses	401,576	933,361
Short term employee benefits	132,175	108,470
Total payables (unsecured)	**533,751**	**1,041,831**

NOTE 5: CONTINGENT LIABILITIES

The Company's wholly owned subsidiary, Minas de Estano De Espana (MESPA) is currently involved in legal proceedings in Spain. While the referenced case is not considered material, and does not affect the Company's title to the Oropesa Project, the Company has appointed legal counsel who are defending the case in the Spanish courts. MESPA is defending the claim regarding the alleged 2018 appointment and subsequent dismissal of Mr Jose Cereijo Soto as MESPA's Con. Delegado (CEO) and an alleged €300,000 payment he claims he was entitled to. The trial is set to be heard in relation to the claim around February 2025.

There were no other contingent liabilities at the end of the reporting period.

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

The following significant events occurred subsequent to the reporting date:

- On 23 Jan 2024 the Company announced that it had 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

Other than the above, there are no other matter or circumstance that has arisen since 31 December 2023 that has significantly affected the Group's operations, results of those operations, or the state of affairs of the Group in future financial years.

NOTE 7: SEGMENT REPORTING

Description of Segments

Operating segments have been determined on the basis of reports reviewed by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia and Spain. Operating segments are determined on the basis of financial information reported to the Board of Directors.

Accordingly, management currently identifies the Group as having two reportable segments, being Australia and Spain.

Basis of accounting for purposes of reporting by operating segments.

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Segment Assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables, lease liabilities and borrowings.

31 December 2023	**Australia**	**Spain**	**Intercompany Eliminations**	**Total**
	$	**$**	**$**	**$**
Current assets	12,812,723	147,626	(11,631,999)	1,328,350
Non-current assets	6,471,115	13,774,278	-	20,245,393
Total assets	19,283,838	13,921,904	(11,631,999)	21,573,743
Current liabilities	352,391	11,863,347	(11,631,999)	583,739
Non-current liabilities	36,637	-	-	36,637
Total liabilities	389,028	11,863,347	(11,631,999)	620,376
Contributed equity	36,262,318	3,000,000	-	39,262,318
Reserves	1,246,156	93,095	-	1,339,251
Accumulated losses	(18,613,664)	(1,034,538)	-	(19,648,202)
Total equity	18,894,810	2,058,557	-	20,953,367
Income/(loss) for the period	(848,058)	(101,029)	-	(949,087)
Other comprehensive income for the period	-	(147,522)	-	(147,522)
Total comprehensive income for the period	(848,058)	(248,551)	-	(1,096,609)

30 June 2023	**Australia**	**Spain**	**Intercompany Eliminations**	**Total**
	$	**$**	**$**	**$**
Current assets	14,301,676	399,715	(10,955,042)	3,746,349
Non-current assets	6,348,392	12,868,031	-	19,216,423
Total assets	20,650,068	13,267,746	(10,955,042)	22,962,772
Current liabilities	422,034	11,581,902	(10,955,042)	1,048,894
Non-current liabilities	-	-	-	-
Total liabilities	422,034	11,581,902	(10,955,042)	1,048,894
Contributed equity	36,262,318	3,000,000	-	39,262,318
Reserves	1,110,058	240,617	-	1,350,675
Accumulated losses	(17,144,342)	(1,554,773)	-	(18,699,115)
Total equity	20,228,034	1,685,844	-	21,913,878
31 December 2022				
Income/(loss) for the period	(901,131)	(105,922)	-	(1,007,053)
Other comprehensive income for the period	-	326,269	-	326,269
Total comprehensive income for the period	(901,131)	220,347	-	(680,784)

NOTE 8: ISSUED CAPITAL

Fully paid ordinary shares

	31 Dec 2023		30 Jun 2023	
	Number of shares	$	Number of shares	$
(a) Reconciliation of issued and paid-up capital				
Opening balance as at 1 July	194,740,085	39,262,318	177,128,963	36,165,450
Shares issued (1)	-	-	1,000,011	225,002
Shares issued (2)	-	-	16,611,111	2,990,000
Share issue costs	-	-	-	(118,134)
Closing Balance	194,740,085	39,262,318	194,740,085	39,262,318

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

Notes for the above table, relating to the year ended 30 June 2023, are:

(1) From 1 July 2022 to 31 August 2022 the following share options were exercised into ordinary shares of the Company:
- 1,000,011 options with an exercise price of $0.225 per option raising $225,002 (and 3,912,254 lapsed).

(2) On 5 April 2023, the Company announced that it had received commitments to complete a private placement of 16,611,111 shares to be issued at $0.18 per share. The transaction completed in two tranches as follows:
- On 13 April 2023 11,444,444 shares were issued at $0.18 per share raising $2,060,000.
- On 5 June 2023, following shareholder approval, 5,166,667 shares were issued at $0.18 per share raising $930,000.

	31 Dec 2023	30 June 2023
	No. of Options	No. of Options
(b) Other Options		
Unlisted Share Options	-	-
Balance at the beginning of the reporting period	-	4,912,265
Options issued during the period pursuant to a Placement	-	-
Options exercised	-	(1,000,011)
Options expired	-	(3,912,254)
Balance at the end of the reporting period	-	-

	31 Dec 2023 No. of Options	30 June 2023 No. of Options
(c) Director & Employee Options		
Unlisted Share Options	1,800,000	1,800,000
Balance at the beginning of the reporting period	1,800,000	1,800,000
Options issued	9,600,000	-
Exercised	-	-
Expired	(360,000)	-
Balance at the end of the reporting period	11,040,000	1,800,000
Exercisable at end of reporting period	11,040,000	1,800,000

During the financial period the Company issued 9,600,000 to directors and employees. The amount recognised for the 31 December 2023 period under the share-based payment reserve amounted to $339,310. All options issued during the period have vested.

The fair value of options at grant date is determined using generally accepted valuation techniques that take into account exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the option and an appropriate probability weighting to factor the likelihood of the satisfaction of non-vesting conditions. The expected volatility is based on historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

The inputs used to value the share options are as follows:

Number of options	700,000	700,000	700,000	2,500,000	2,500,000	2,500,000
Grant date	11-Sep-2023	11-Sep-2023	11-Sep-2023	20-Nov-2023	20-Nov-2023	20-Nov-2023
Share price at grant date	$0.13	$0.13	$0.13	$0.115	$0.115	$0.115
Exercise price	$0.25	$0.30	$0.35	$0.25	$0.30	$0.35
Expected volatility	82.55%	82.55%	82.55%	82.55%	82.55%	82.55%
Risk-free interest rate	3.71%	3.71%	3.71%	3.71%	3.71%	3.71%
Expected life	2.8 years	2.8 years	2.8 years	2.6 years	2.6 years	2.6 years
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes
Value per option	$0.04887	$0.04329	$0.03875	$0.03753	$0.03270	$0.02884

(d) Performance Rights

During the 2022 annual financial period the Company issued 3,300,000 performance rights (on a post consolidation basis) to Executives of the Company. The performance rights have both company milestone and employment retention vesting conditions. On 31 December 2023, 600,000 performance rights expired leaving a balance of 2,700,000 unvested performance rights on issue. A credit to the share-based payment expense of $203,212 was recorded during the period as the probability of certain tranches of performance rights vesting reduced below the 50% threshold (2022: expense of $181,760).

NOTE 9: LOSS PER SHARE

	31 Dec 2023 $	31 Dec 2022 $
Net loss used in the calculation of basic and diluted EPS	(949,087)	(1,007,053)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	194,740,085	177,866,389

Options and performance rights are considered potential ordinary shares. Options and performance rights issued are not presently dilutive and were not included in the determination of diluted loss per share for the period.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Joe David
Managing Director

13 March 2024
Brisbane

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Elementos Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Elementos Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
ii. Complying with Accounting Standard AASB *134 Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

A J Whyte
Director

Brisbane, 13 March 2024