ELEMENTOS
TOMORROW'S TIN

Quarterly Report

For the quarter ending 31 March 2024

elementos.com

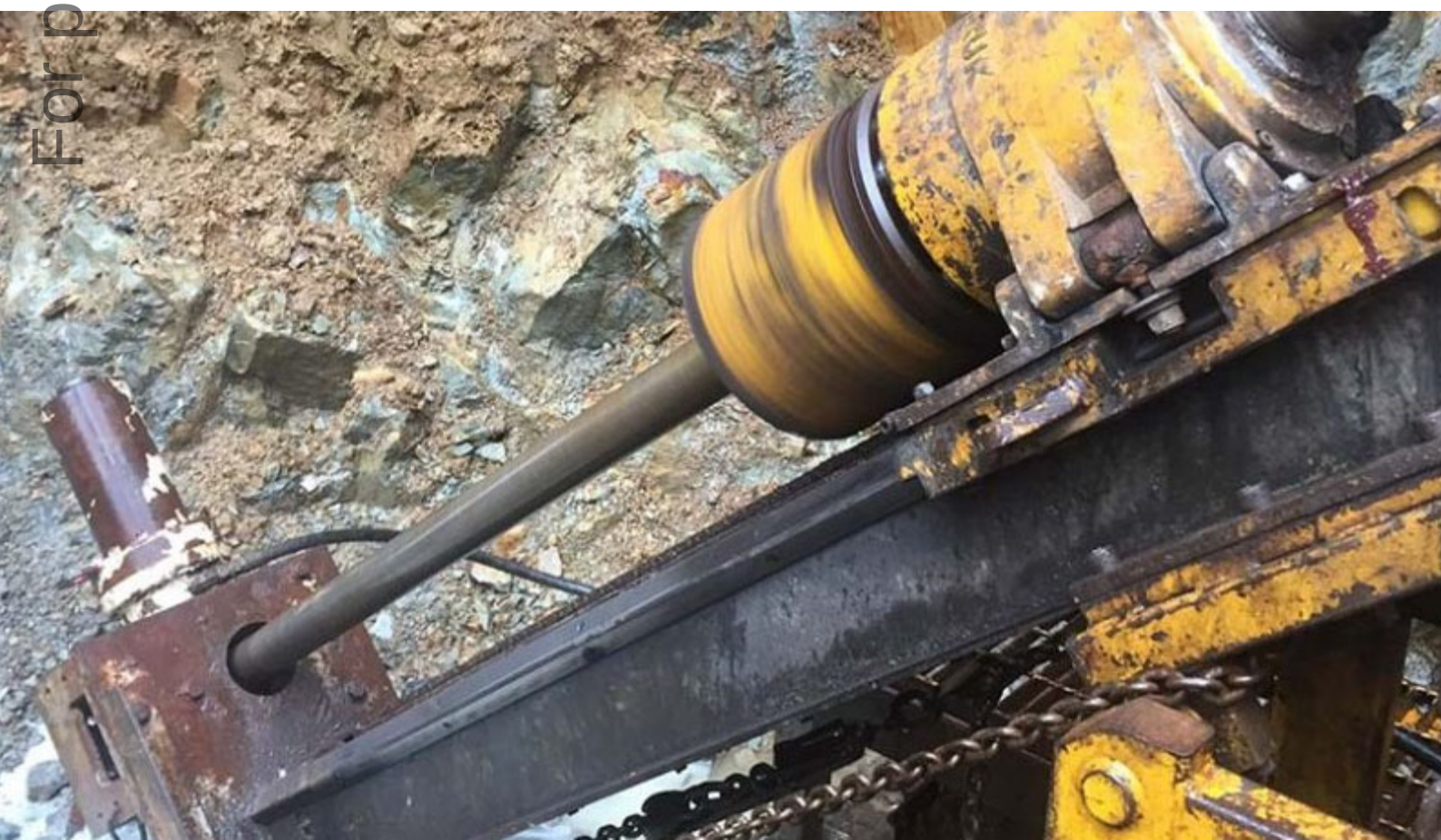
For personal use only

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 poised 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 focussed on developing both the Oropesa Tin Project in Andalucía, Spain and the Cleveland Tin Project in Tasmania, Australia. The Oropesa Tin Project is currently being assessed in regulatory approvals with the DFS significantly completed which will 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.

For personal use only



For personal use only

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 easy access to Spain's 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.

During the March quarter, the company continued to engage with the Andalucían authorities, with the goal of resolving the administrative permitting issues first disclosed to the market in June 2023. The company's discussions with both regional (Andalucian) and local government agencies remain co-operative, positive and moving towards resolution. Progress is being achieved with the Company recently submitting further updated layouts in response to additional feedback from the various environmental departments. Our goal remains to achieve agreement on the modified layout and an agreed path forward for Oropesa's licensing and development. Following this the company will adapt the DFS for the project to the agreed layouts. We are very thankful to the various stakeholders who continue to publicly support the project locally, provincially and in the wider communities throughout the region.

Update on Definitive Feasibility Study (DFS)

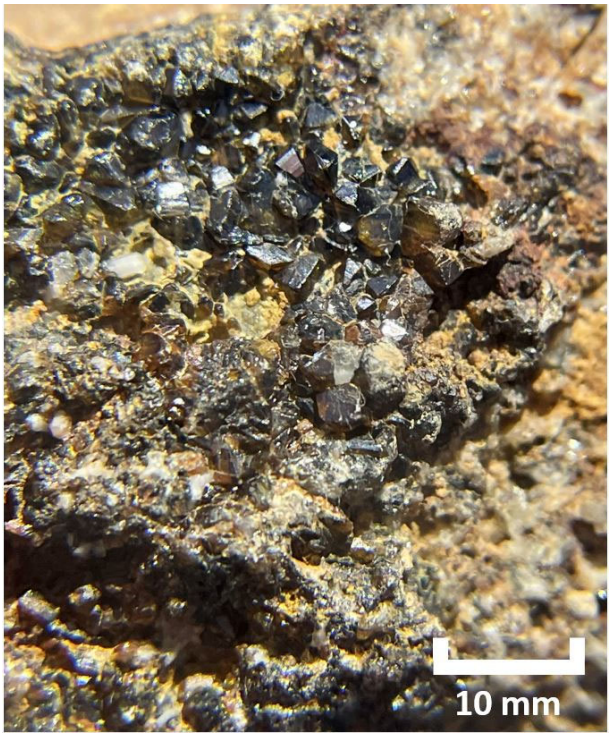
As in the previous quarter, the DFS has remained on pause, whilst the company continues to engage with the Andalucían authorities regarding mine plan updates. No other material study work was commenced during the quarter, with the main work undertaken being the steady progression of the Mineral Process Plant package.

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

For personal use only

Additional Spanish Exploration Activities

During the quarter the company completed additional exploration and reconnaissance activities, outside the main footprint of the Oropesa tin deposit.



On tenure - La Grana Targets
A comprehensive systematic grid-based soil sampling program is being undertaken over the La Grana prospect by our local project team. La Grana is located to the immediate north of the Oropesa Tin Resource (on tenement) and comprises a regionally significant topographical high approximately 2.5km in length.

The geology within La Grana is predominantly quartzite with lesser shales. Observations of intermittent outcrop and float material show the quartzite to be highly fractured, with some of the fractures containing visible cassiterite. Historical work at La Grana, which has always been a target of interest, has previously included a localised soil sampling program and a randomly executed 17-hole diamond drilling program (by previous project owners) which intersected minor tin mineralised zones.

Figure 2. *Coarse cassiterite within a fracture in quartzite from La Grana*

The current soil sampling program (the first since Elementos took ownership) is being completed in a much more technically diligent manner. The program is being complimented by a detailed structural analysis of the drill core from the historic drill campaign. This program entails the recording of the orientations of all the fractures in the drill core and analysis of the fractures for tin using a NITON hand-held XRF. This data will be combined with the soil sampling data and results of an ASTER remote sensing survey (completed in 2022) to determine the best location and orientation for a future exploration drilling programme. Orientation soil samples from line G (Figure 3) have been collected and sent to ALS in Seville for analysis.

Off Tenure – Additional regional tenement applications

The Junta de Andalucia announced a public tender process for applications for exploration licences over 16 areas within the Cordoba province previously relinquished by other owners. The Company has completed a comprehensive review of every application area. This included desk top studies of available geological and exploration data, a detailed inspection of selected drill core at the IGME (Spanish Geological Survey) drill core library in Penarroya and site visits to a number of the tender areas. The primary focus of the review was to identify areas that could compliment any future production from the Oropesa Tin Project or other mineralisation that looks particularly interesting for base and technology minerals. The Company has submitted detailed applications on 19 April for three of the tender areas; two are adjacent (along strike) of the Oropesa tenement and a third tenement is located within 5km of our local (Fuente Obejuna) office and warehouse.

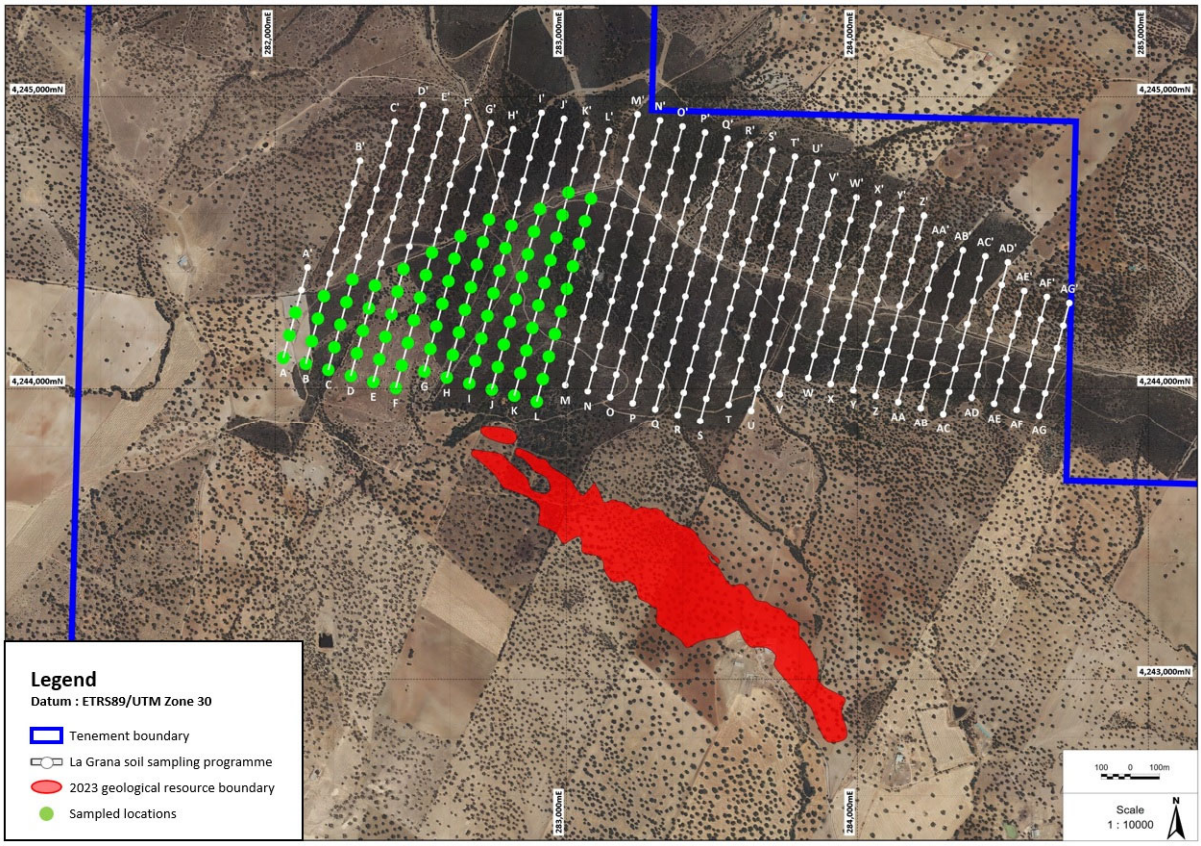


Figure 3. *La Grana grid based soil sampling program*

For personal use only

For personal use only

Cleveland Tin Project

Tasmania, Australia

The Cleveland Tin Project is located 80km southwest of Burnie in the mineral-rich northwest region of Tasmania, Australia. The Cleveland mine is a historic (previously operating) underground tin mine site boasting excellent access to electrical, water and transport infrastructure.

Cleveland Drilling Program

Drilling is planned to commence in early May-2024 on the tin, copper and tungsten target previously announced by the company. The hole is co-funded by a $70,000 government grant, the 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.[1], which was previously intersected below the company's 3.97Mt 0.3% WO_3 JORC Inferred Tungsten Mineral Resource.

Preparations are well advanced for the commencement of the deep exploration diamond drill hole. The holes is designed to test lateral and depth extents of the tungsten mineralisation within the Foleys Zone which contains an Inferred JORC Tungsten Mineral Resource of 3.97Mt @ 0.3% WO_3 beneath the Cleveland tin-copper resource.

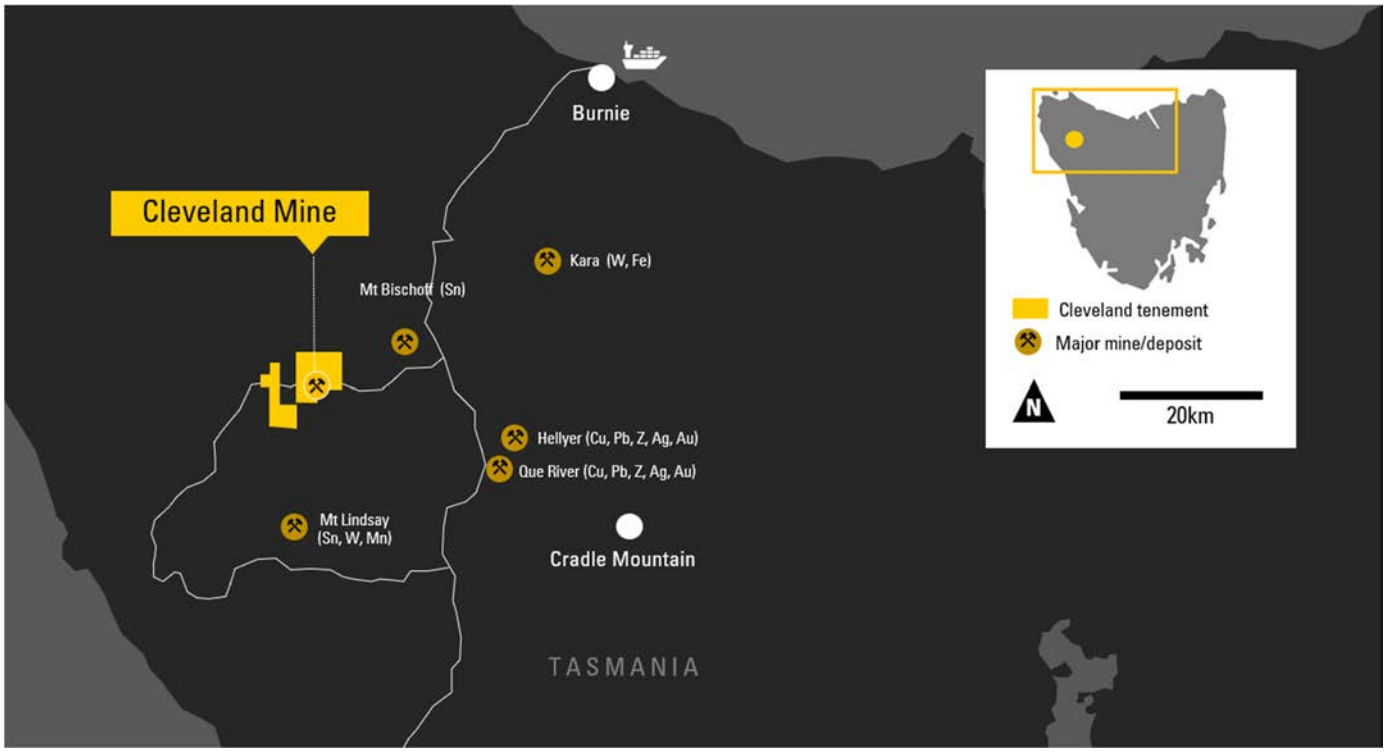


Figure 4. *Location of the Cleveland Tin Project, Tasmania*

[1] * 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.

For personal use only

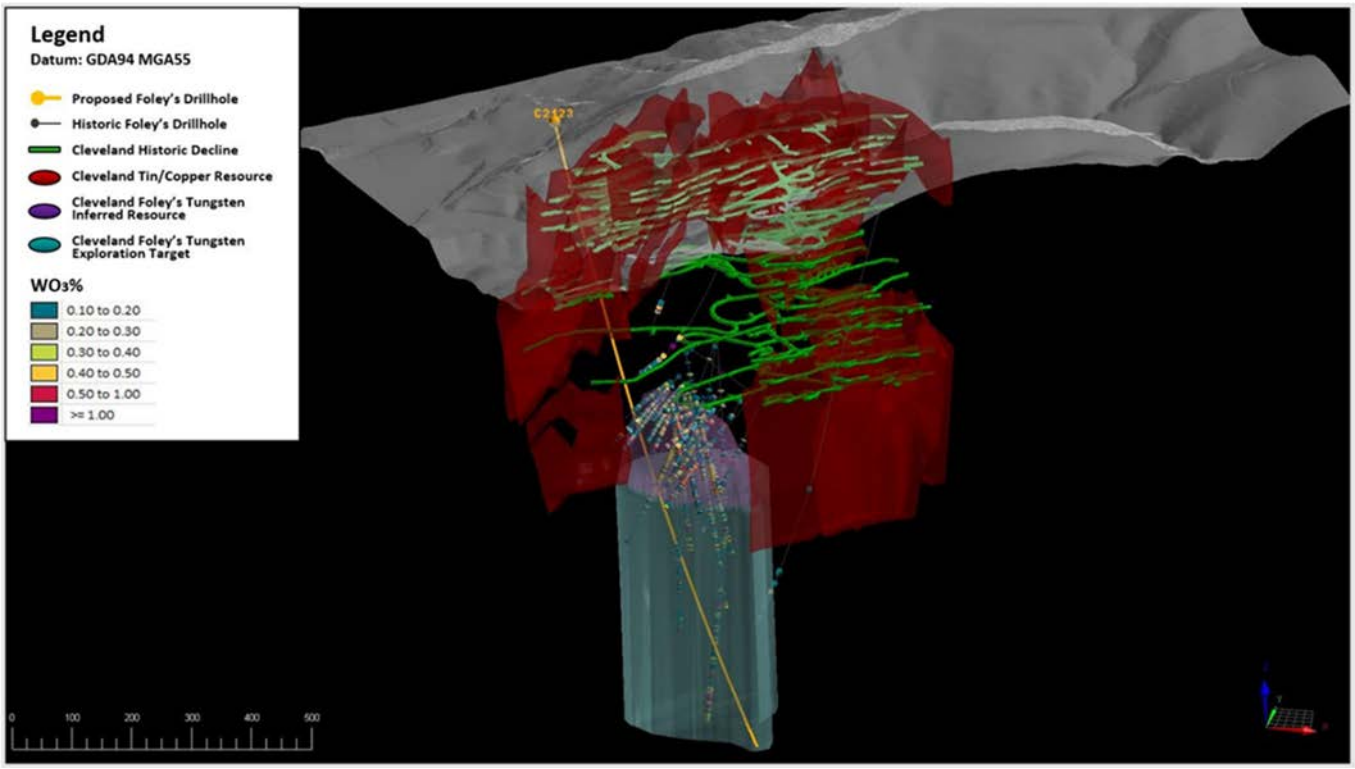


***Figure 5** . 3D overview of the proposed diamond drill hole into the Foley's Zone (looking from the south)*

Edrill, a local contractor with significant experience in deep diamond drilling, has been contracted to complete the hole. All site preparation works have been completed and regulatory approvals for drilling have been obtained from Mineral Resources Tasmania.

Tasmania - Regional Exploration

Regional exploration within the Cleveland exploration licence (EL7/2005) during the quarter has been focussed towards the Mt Youngbuck prospect, located along the western margin of the tenement. The Mt Youngbuck prospect is centred on a significant combined magnetic and electromagnetic anomaly located along the boundary of the Devonian Meredith Granite and Cambrian sediments and calcsilicates. The last detailed exploration in the area was carried out by Aberfoyle Exploration Pty Ltd in the early 1980's. Previous exploration included geological mapping, soil sampling, ground and airborne geophysics and the completion of two short diamond exploration drill holes. Previous exploration had detected tin and tungsten mineralisation within a sulphide bearing skarn. This was confirmed during inspection of the historical drill core at the Tasmanian Governments drill core library in Hobart. 29 samples of the drill core have been collected and sent for analysis at ALS laboratories in Burnie. An on-ground reconnaissance was made of the prospect area to determine methods of access for any future exploration work.

For personal use only

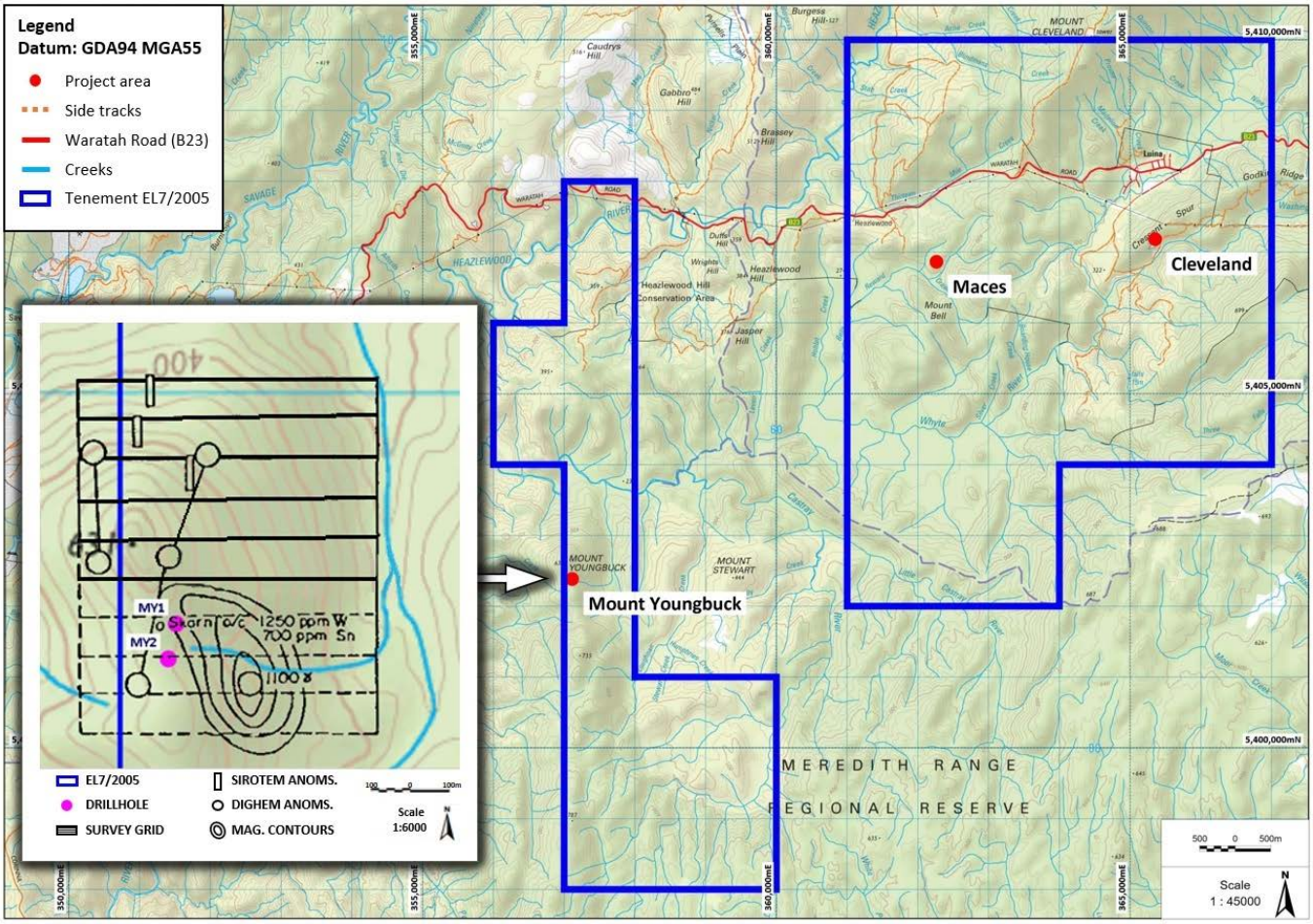


Figure 6. *EL7/2005 – Cleveland – Mt Youngbuck prospect geophysical anomalies and historical drill hole locations*

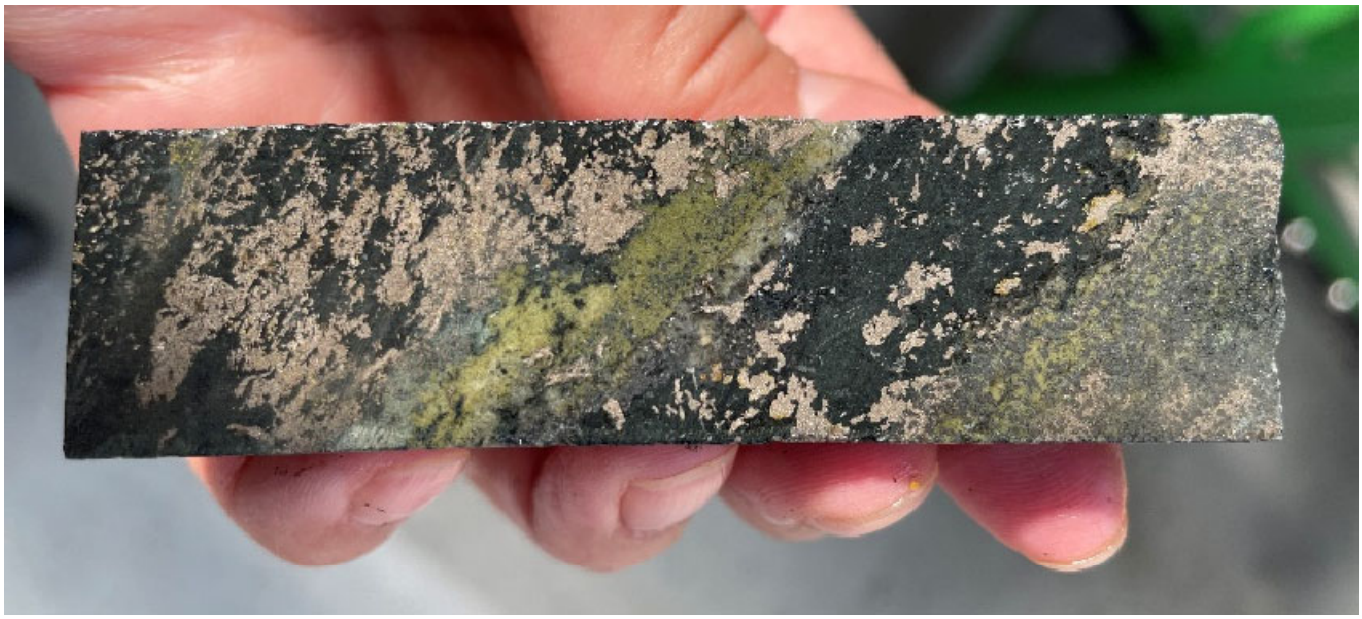


Figure 7. *Pyrhhotite, magnetite, calc-silicate skarn from drill hole MY1 (78.95m) at Mt Youngbuck (Aberfoyle 1983)*

For personal use only

Corporate

Cash Position

At 31 March 2024, cash at bank totalled ~$619,000 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.

Chairman supports company with $2.0 million Loan facility

In January, Elementos Limited 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 commercial terms and as such, resolved to execute the loan agreement.

Tin Pricing

The London Metals Exchange (LME) tin price increased 10.0% during the quarter from US$25,150/t to US$27,650/t. Subsequent to the quarter, the tin spot price smashed through two-year highs during April, hitting US$35,685/t on April 19, a 42% increase year-to-date. According to Trading Economics, the price spike is tracking the surge for other base metals amid mounting concerns about low supply. The US and the UK imposed sanctions on key Russian aluminium, nickel, and copper, preventing the LME from accepting Russian metal supply and raising the price for tin due to the close industrial uses with other base metals. The risks were exacerbated by violence outbreaks in essential mining areas of the DR Congo and border areas of Rwanda, risking delays to ore deliveries. Additionally, exports out of Indonesia remained uncertain previous bureaucratic delays for operations caused producers to suspend activity and nearly trigger a halt in exports during January, while disruptions from Myanmar persisted. The developments were aligned with optimistic data for factory activity in the US and China, adding to the strong momentum for base metals. The Shanghai Futures Exchange (SHFE) also significantly increased by +6% during the quarter, closing at ~US$31,549/t (www.metal.com/tin), and subsequently rising as high as ~US$39,100/t on April 22nd.

For personal use only

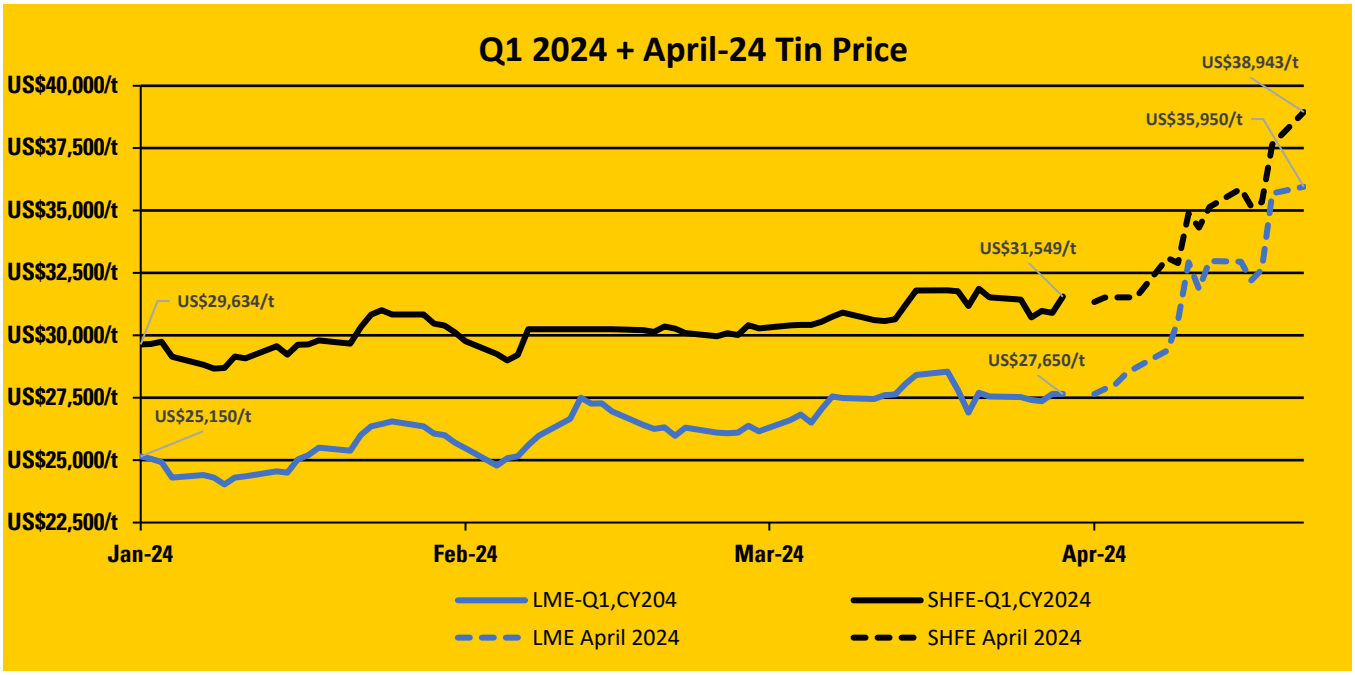


Figure 3. *Tin Price Movements on LME & SHFE*

ShareCafe Webinar

During the quarter, Managing Director, Joe David presented in the ShareCafe Hidden Gems Webinar. A recording of the webinar can be found online here https://www.sharecafe.com.au/2024/02/16/elementos-asxelt-webinar-presentation/

ASX Listing Rule 5.3 disclosure

- During the quarter, payments for exploration and evaluation activities covering both the Oropesa and Cleveland projects totalled $547,000.
- 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 March 2024, 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.

For personal use only

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 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. "Update on Regulatory Approvals and DFS" 20 June 2023
2. "Oropesa Tin Project – 2023 Mineral Resource Update" 14 February 2023
3. "Optimisation Study Oropesa Tin Project" 29 March 2022

ASX Announcements during the Quarter

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

Date	Description
14-Mar-24	Half Yearly Report and Accounts
13-Mar-24	Change in substantial holding
16-Feb-24	Investor Presentation Share Cafe Webinar
15-Feb-24	Becoming a substantial holder
23-Jan-24	Quarterly Activities/Appendix 5B Cash Flow Report

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
Phone: +61 7 2111 1110
Email: jd@elementos.com

Please visit us at: www.elementos.com

For personal use only

For personal use only

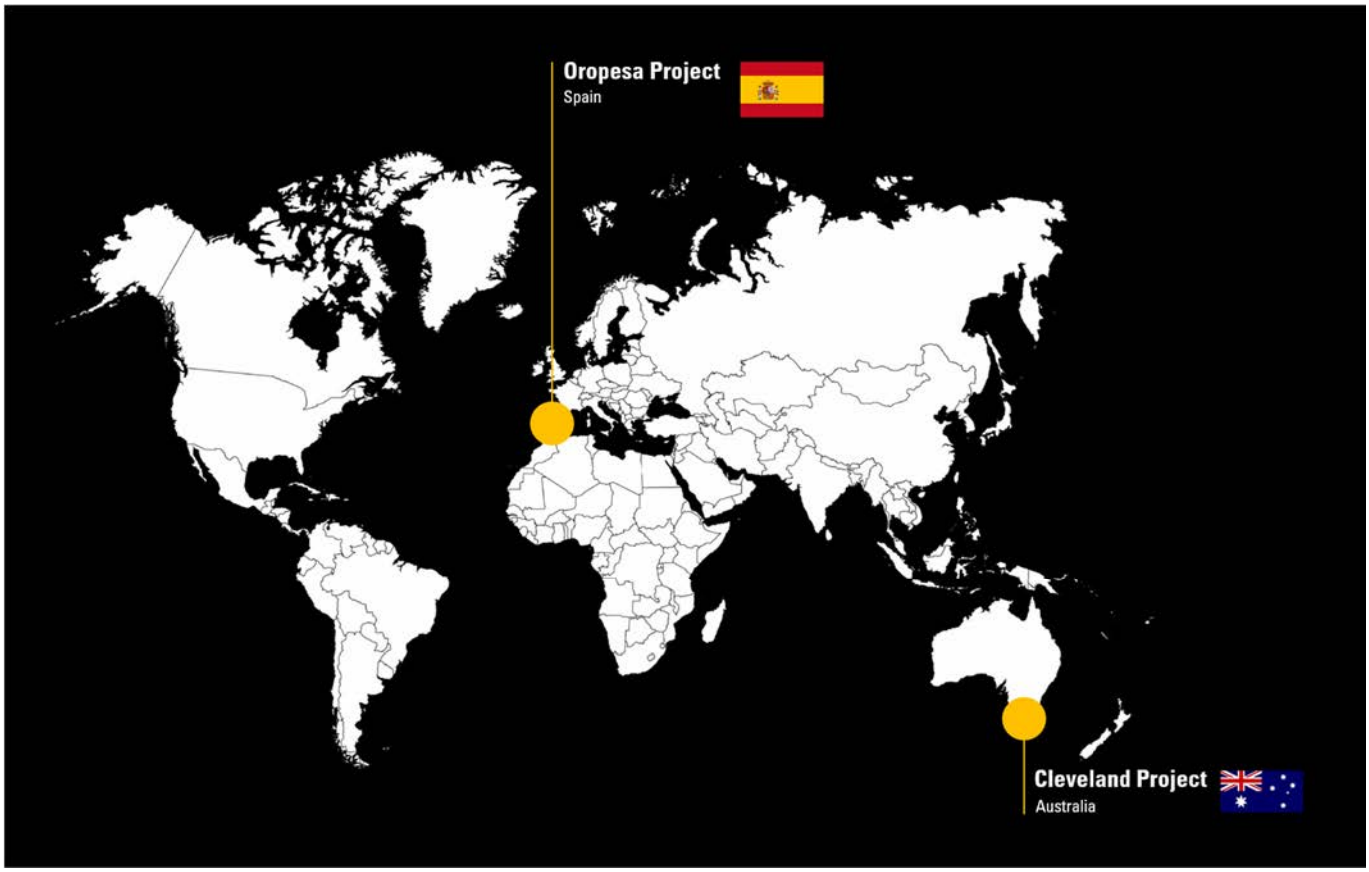
Company Profile

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. The company intends to achieve project approvals, seek project finance and develop the project through construction and into operations, becoming the major 'domestic' tin mine supply to Spain and the European Union.

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.



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 March 2024

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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	(243)	(714)
	(e) administration and corporate costs	(178)	(565)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	16
1.5	Interest and other costs of finance paid	(2)	(5)
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**	**(421)**	**(1,268)**

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	(547)	(1,968)
	(e) investments	-	-
	(f) other non-current assets	-	-

For personal use only

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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**	**(547)**	**(1,968)**

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	500	500
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)	(35)
3.10	**Net cash from / (used in) financing activities**	**488**	**465**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,159	3,450
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(421)	(1,268)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(547)	(1,968)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	488	465

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**679**	**679**

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	633	1,113
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)**	**679**	**1,159**

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.

For personal use only

For personal use only

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	2,000	500
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.

During January 2024 Elementos entered into a Loan Facility for $2m with the Company's Non-Executive Chairman, Mr Andrew Greig. The loan is unsecured, has an interest rate of 6% on drawn funds and a term of 2 years. For further details see ASX Announcement released 23 January 2024.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(421)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(547)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(968)
8.4	Cash and cash equivalents at quarter end (item 4.6)	679
8.5	Unused finance facilities available at quarter end (item 7.5)	1,500
8.6	Total available funding (item 8.4 + item 8.5)	2,179
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.2

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: 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 April 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.

For personal use only