

ASX ANNOUNCEMENT

31st July 2018

Capital Raising to Fund Growth

- Private Placement to raise \$1.2m
- Funding applied to progressing multi-project development strategy

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce a capital raising to support the completion of the Orepsa transaction and general working capital purposes.

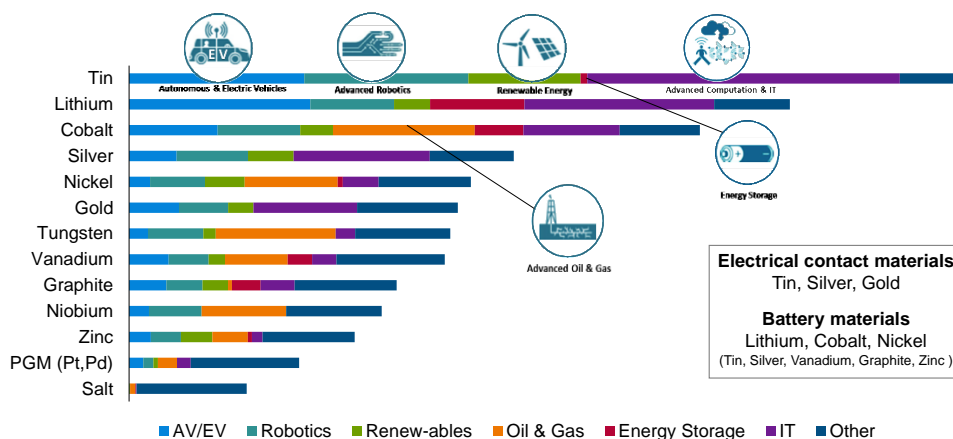
The Company has received binding commitments for a private placement to raise \$1.2 million at \$0.006 per share (Placement).

The application of funds from the capital raising, includes:

- Completing legal, due diligence and regulatory costs associated with the acquisition of the Oropesa Tin Project;
- Completion of the Malaysian Temengor Joint Venture Agreement and commencing exploration;
- Progressing the Cleveland Project – advance engineering and metallurgical studies;
- General working capital purposes; and
- Corporate costs associated with the capital raising.

Andy Greig, Elementos Chairman commented, "This is a very exciting new phase in the growth of the Company and the capital raising proceeds will be used to fund the transformational Orepsa tin transaction announced today. The Company is making excellent progress towards building a quality portfolio of tin assets with near-term development potential. Given the attractive supply and demand forecasts for tin, and the significant potential for an increased requirement of tin in the battery revolution, the Board believe it is prudent to build a pipeline of projects that will maintain tin production for the long term. This capital raising will allow the development of our pipeline of projects."

Metals most impacted by new technology



RioTinto

Source: MIT

7 | © Rio Tinto 2018

Forecast impact on commodities associated with the battery revolution

Tin Market and Path Forward

The attractive supply and demand forecasts for tin and the potential significant additional requirement for tin as an energy metal has given the Elementos Board confidence to set about expanding the Company's tin asset portfolio.

The acquisition of the Oropesa tin project in Spain, plus the recently announced Memorandum of Understanding for a farm-in and joint venture at the Temengor Tin Project in Malaysia is a significant step forward as Elementos continues to build a strong portfolio of tin assets to add to its Cleveland Project in Tasmania.

Placement

The Placement will comprise 200 million shares issued to sophisticated investors using the Company's current placement capacity under the ASX Listing Rules. Lions Bay Capital are being paid a fee of 100 million unlisted Elementos options expiring 30 June 2020, and exercisable at \$0.007, for arranging the Placement and general corporate advisory services related with the acquisition of the Oropesa project.

The allotment of the Placement shares and the Lions Bay Capital options is expected to take place by September 2018.

Capital Structure

Set out below is the effect on the Company's capital structure resulting from the:

- Placement (and fee options); and
- Completion of the Oropesa Tin Project acquisition.

	Shares	% of Shares	Options	Performance Rights
Existing	1,337,330,962	52.7%	10,000,000	30,000,000
Placement (and fee options)	200,000,000	7.9%	100,000,000	-
Acquisition of the Oropesa Tin Project ¹	1,000,000,000	39.4%	-	-
	2,537,330,962	100.0%	110,000,000	30,000,000

Note 1. The consideration shares are to be distributed on a pro-rata basis to Eurotin shareholders. No one shareholder of Eurotin will hold more than 19.99% of the Company's shares on completion of the acquisition of the Oropesa Tin Project.

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Cautionary Statement

Forward-looking statements

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

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

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