



**ELEMENTOS LIMITED**

ABN 49 138 468 756

**Notice of Annual General Meeting and Explanatory Statement**

Annual General Meeting to be held at Level 7, 1 Eagle Street, Brisbane QLD on  
30 November 2018 commencing at 10.00am (Brisbane Time)

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

## Notice of Annual General Meeting

Notice is given that the 2018 Annual General Meeting of Shareholders of Elementos Limited (ABN 49 138 468 756) (**Company** or **Elementos**) will be held at Level 7, 1 Eagle Street Brisbane QLD on 30 November 2018 at 10.00am (Brisbane Time).

Terms used in this Notice of Meeting are defined in the "Interpretation" section of the accompanying Explanatory Statement.

### ORDINARY BUSINESS

#### Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditor's Report, Directors' Declaration, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the Consolidated Financial Statements for the Company for the financial year ended 30 June 2018. The Company's reports can be accessed on the Company's website at <http://elementos.com.au/>.

#### Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution of the Company, with or without amendment:

*"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report for the year ended 30 June 2018 (as set out in the Directors' Report) be adopted."*

**The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.**

#### VOTING RESTRICTION STATEMENT

A vote must not be cast (in any capacity) on Resolution 1 by or on behalf of either of the following parties:

- a member of the Company's Key Management Personnel, details of whose remuneration are included in the Remuneration Report;
- a Closely Related Party of such a member.

However, a vote may be cast on Resolution 1 if:

- the person does so as a proxy; and
- the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and

either:

- the appointment as a proxy is in writing and specifies how the proxy is to vote on Resolution 1; or
- the voter is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

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### Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of all Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the meeting may change his voting intention on any resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form.

### Resolution 2 – Re-election of Mr Corey Nolan as a Director

To consider and, if thought fit, pass, with or without amendment, the following Resolution as an Ordinary Resolution of the Company:

*“That Corey Nolan, who retires by rotation in accordance with clause 8.3 of the Company’s Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.”*

### Resolution 3 – Approval of Employee Share and Option Plan

To consider and, if thought fit, pass, with or without amendment, the following Resolution as an Ordinary Resolution of the Company:

*“That the Employee Share and Option Plan, which is summarised in the **attached** Explanatory Memorandum and at (Annexure A), be approved and that for the purposes of Exception 9(b) of Listing Rule 7.2 and for all other purposes, the issue of securities under the Employee Share and Option Plan within three (3) years from the date of this resolution be an exception to Listing Rules 7.1 and 7.1A.”*

#### NOTES

A detailed summary of the key terms of the Employee Share and Option Plan is set out in Annexure A.

#### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of the Resolution 3 by or on behalf of:

- a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of them.

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However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### KEY MANAGEMENT PERSONNEL VOTING EXCLUSION STATEMENT

As Resolution 3 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 3 must not be cast by:

- any member of the Key Management Personnel of the Company or if the Company is part of a consolidated entity, of the entity; or
- a Closely Related Party of such a member,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution, if the appointment of proxy expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or if the Company is part of a consolidated entity, of the entity.

### Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of all Resolutions the subject of this Meeting, including Resolution 3, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the meeting may change his voting intention on any resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form.

## Resolution 4 – Approval of Performance Rights Plan

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution of the Company:

*“That the Performance Rights Plan, which is summarised in the **attached** Explanatory Memorandum (and at Annexure B), be approved and that for the purposes of exception 9(b) of Listing Rule 7.2, the issue of Performance Rights under the Performance Rights Plan within three (3) years from the date of this resolution be an exception to Listing Rule 7.1”.*

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of the Resolution 4 by or on behalf of:

- a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of them.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### KEY MANAGEMENT PERSONNEL VOTING EXCLUSION STATEMENT

As Resolution 4 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 4 must not be cast by:

- any member of Key Management Personnel of the Company or if the Company is part of a consolidated entity, of the entity; or
- a Closely Related Party of such a member,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution, if the appointment of proxy expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or if the Company is part of a consolidated entity, of the entity.

### Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of all Resolutions the subject of this Meeting, including Resolution 4, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the meeting may change his voting intention on any resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form

### Resolution 5 - Ratification of Previous Issue of Placement Shares

To consider and, if thought fit, pass, with or without amendment, the following Resolution as an Ordinary Resolution of the Company:

*"That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the issue of up to 200,000,000 Shares in the Company at an issue price of \$0.006 per share (**Placement Shares**) to unrelated professional, sophisticated or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act 2001 (Cth) (**Placement**) on the terms and conditions set out in the Explanatory Memorandum."*

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Resolution 5 by or on behalf of any person who participated in the issue of Placement Shares and any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### Resolution 6 - Ratification of Previous Issue of Options

To consider and, if thought fit, pass, with or without amendment, the following Resolution as an Ordinary Resolution of the Company:

*"That, in accordance with Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue of up to 100,000,000 Lions Bay Options issued to Lions Bay (or its nominees) on the terms and conditions set out in the attached Explanatory Memorandum."*

#### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Resolution 6 by or on behalf of any person who participated in the issue of Lions Bay Options and any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Resolution 7 – Issue of Convertible Redeemable Preference Shares and Debenture in connection with the acquisition of the Oropesa Tin Project – Listing Rule 7.1

To consider and, if thought fit, pass, with or without amendment, the following Resolution as an Ordinary Resolution of the Company:

*"That, in accordance with Listing Rule 7.1, and for all other purposes, and subject to the passing of Resolution 8, the Company be authorised to issue:*

- a) one Debenture with a face value of CAD\$1,000,000 to Mark Wellings and the conversion of some or all of this Debenture into Shares at a conversion price equal to the higher of AUD\$0.004 or the volume weighted average price at which Shares have traded on the ASX for the 20 Trading Days prior to the date of the relevant conversion notice; and*
- b) 1,000,000,000 Convertible Redeemable Preference Shares (CRPS) to Eurotin Limited and the conversion of some or all of these CRPS to Shares by the shareholders of Eurotin Limited,*

*on the terms and conditions contained in this Notice of Meeting and the attached Explanatory Memorandum."*

#### VOTING EXCLUSION STATEMENT

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution 7 by or on behalf of:

- (a) any person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities in the Company); and
- (b) any associate of that person.

However, the Company need not disregard a vote if:

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- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### SPECIAL BUSINESS

#### **Resolution 8 – Issue of Convertible Redeemable Preference Shares in connection with the acquisition of the Oropesa Tin Project – Section 254A(2)**

To consider and, if thought fit, pass, with or without amendment, the following Resolution as a Special Resolution of the Company:

*“That, for the purposes of section 254A(2) of the Corporations Act and for any and all relevant purposes, and subject to the passing of Resolution 7, the Company be authorised to issue preference shares in the Company, as the CRPS, on the terms and conditions as summarised in the Explanatory Memorandum.”*

#### **Resolution 9 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A**

To consider and, if thought fit, pass, with or without amendment, the following Resolution, as a Special Resolution of the Company:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (**Placement Securities**).”*

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Resolution 9 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Important note

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that

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they may or may not get a benefit and that it is possible that their holding will be diluted. In accordance with Listing Rule 14.11.1 there is no reason to exclude the votes, and the votes will not be excluded, of such Shareholders.

### GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By Order of the Board

Duncan Cornish  
Company Secretary  
26 October 2018

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# Explanatory Memorandum

## INTRODUCTION

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This Explanatory Statement is provided to Shareholders of **Elementos Limited ABN 49 138 468 756 (Company)** to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 7, 1 Eagle Street, Brisbane QLD on 30 November 2018 at 10.00am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Statement are defined in the "Interpretation" section of this Explanatory Statement.

## CONSIDER THE COMPANY'S ANNUAL FINANCIAL REPORT

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The Company's Annual Report comprising the Directors' Report and Auditor's Report, Directors' Declaration, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements for the Company for the financial year ended 30 June 2018 was released to the ASX on 25 September 2018. The Company's Annual Financial Report is placed before Shareholders for discussion. No voting is required for this item.

Time will be allowed during the Meeting for consideration of and questions from Shareholders in relation to the Annual Financial Report.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. The Company's Annual Financial Report is available on its website at [www.elementos.com.au](http://www.elementos.com.au).

## RESOLUTION 1 – REMUNERATION REPORT

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In accordance with section 250R of the Corporations Act, the Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out on pages 19 to 25 of the Directors' Report section of the Annual Financial Report for the period ending 30 June 2018. The Annual Financial Report is available to download on the Company's website, [www.elementos.com.au](http://www.elementos.com.au).

The Report:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each member of Key Management Personnel of the Company; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

## Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

A voting exclusion statement is set out under Resolution 1 in the Notice of Meeting. In particular, as set out in the notes to Resolution 1, a voting restriction applies with respect to the voting on this Resolution by members of the Key Management Personnel and their Closely Related Parties and their proxies

## Explanatory Memorandum

voting (in any capacity) (**Voting Restriction**). Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Voting Restriction does not apply where:

- (a) the Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel) as a proxy (Management Proxy) with specific instructions on how to vote on a resolution to adopt the remuneration report of the Company; or
- (b) the Chairman is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel) as a proxy with no specific instructions on how to vote on a non-binding Shareholder vote on remuneration, where the Shareholder provides express authorisation for the Chairman to do so.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

### Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

A vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

### RESOLUTION 2 – RE-ELECTION OF MR COREY NOLAN AS A DIRECTOR

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In accordance with Clause 8.3 of the Company's Constitution, Mr Corey Nolan will retire by rotation at the Annual General Meeting and, being eligible, offers himself for re-election as a Director.

Under Clause 8.3 of the Company's Constitution, one-third of Directors are required to retire at each general meeting (excluding Directors seeking election at the meeting for the first time, or the Managing Director).

Mr Nolan was appointed as a director of the Company on 23 July 2009.

Mr Nolan has twenty years of diverse experience in the resources sector. This has included experience in mining operations, global resource evaluation, and the financing and development of new opportunities in Australia, South Africa, Asia, and South America.

Mr Nolan is a qualified mineral economist who has applied his first-hand practical and technical skills in specialist roles as an equities analyst in the mining and natural resources sector of stock broking firms Morgan Stanley and Wilson HTM. During this period, he undertook detailed coverage of the Australian and global resources sector including the commodities market.

Mr Nolan has been a Director at PWC in the corporate finance and valuations practice, specialising in resources industry valuations for Australian and global resources firms.

Mr Nolan is a member of the Audit and Risk Management Committee. In accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations, 3rd Edition", Mr Nolan is considered independent.

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## Recommendation

The Directors (with Mr Nolan abstaining) recommend that you vote in favour of this Ordinary Resolution.

## **RESOLUTION 3 – APPROVAL OF EMPLOYEE SHARE AND OPTION PLAN**

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Pursuant to Resolution 3, the Company is seeking Shareholder approval for the continued issue of securities under the Company's Employee Share and Option Plan (the **ESOP**) as an exception under Listing Rule 7.2, Exception 9(b) which would enable securities issued under the ESOP over the next three (3) years to be excluded from the calculation of the number of securities issued for the purposes of ASX Listing Rules 7.1 and 7.1A.

The Company previously adopted the ESOP at the 2015 AGM to utilise it as a means of rewarding and incentivising its key employees.

A summary of the terms of the ESOP are set out in Annexure A to this Explanatory Memorandum.

### **ASX Listing Rules**

Subject to certain exceptions, Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue Equity Securities in any 12 month period equivalent in number to more than 15% of the company's ordinary securities on issue, without the approval of its shareholders.

As a result, any issue of securities by the Company to eligible employees under the ESOP would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 9 of Listing Rule 7.2 however, allows the Company to issue securities under the ESOP without the issue of such securities being counted towards the Company's 15% issue capacity under Listing Rule 7.1, where Shareholders have approved the issue of securities under the ESOP as an exception to Listing Rule 7.1, within three (3) years prior to the issue of the securities. Resolution 3 is being put to Shareholders for this purpose and will allow the Company to utilise Exception 9 of Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

### **Information for Shareholders**

In accordance with Exception 9 of Listing Rule 7.2, the Company advises as follows:

- there have been 10,000,000 unlisted Options exercisable at \$0.0125 issued under the ESOP since the last approval; and
- a summary of the key terms of the ESOP are set out in Annexure A.

### **Further Considerations**

The Company believes that it will derive a significant benefit by incentivising its senior management and key employees through the issue of securities under the ESOP. Additionally, the Company believes it to be in the best interests of the Company to preserve the maximum commercial flexibility to issue Equity Securities that is afforded to it by Listing Rule 7.1.

The Directors recommend that you vote in favour of this Ordinary Resolution.

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## RESOLUTION 4 – APPROVAL OF PERFORMANCE RIGHTS PLAN

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Pursuant to Resolution 4, the Company is seeking Shareholder approval for the continued issue of securities under the Company's Performance Rights Plan (**Rights Plan**) as an exception under Listing Rule 7.2, Exception 9(b) which would enable securities issued under the Rights Plan over the next three (3) years to be excluded from the calculation of the number of securities issued for the purposes of ASX Listing Rules 7.1 and 7.1A.

The Company previously adopted the Rights Plan at the 2015 AGM to provide incentives to the eligible participants of the Company, including Directors of the Company who hold a salaried employment or office in the Company, and to recognise their contribution to the Company's success. Under the Company's current circumstances the Directors consider that the use of Performance Rights are a cost effective and efficient incentive for the Company as opposed to relying solely on alternative forms of incentives such as the issue of options, cash bonuses or increased remuneration. To enable the Company to secure and retain key employees who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Rights Plan is designed to achieve this objective by encouraging long term employment with the Company and continued improvement in performance over time and encouraging personnel to acquire and retain an interest in the Company.

The Rights Plan provides for the issue of Performance Rights which, upon a determination by the Board that performance conditions attached to the Performance Rights have been met, will result in the issue of one ordinary share in the Company for each Performance Right granted.

A summary of the terms of the Rights Plan are set out in Annexure B to this Explanatory Memorandum.

### ASX Listing Rules

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue Equity Securities in any 12 month period equivalent in number to more than 15% of its ordinary securities on issue, without the approval of its shareholders.

As a result, any issue of securities by the Company to eligible employees under the Rights Plan would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 9 of Listing Rule 7.2 however, allows the Company to issue securities under the Performance Rights Plan without the issue of such securities being counted towards the Company's 15% issue capacity under Listing Rule 7.1, where Shareholders have approved the issue of securities under the Performance Rights Plan as an exception to Listing Rule 7.1, within three (3) years prior to the issue of the securities. Resolution 4 is being put to Shareholders for this purpose and will allow the Company to utilise Exception 9 of Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

### Information for shareholders

In accordance with Exception 9 of Listing Rule 7.2, the Company advises as follows:

- there have been 30,000,000 Performance Rights issued under the Rights Plan since the last approval; and
- a summary of the key terms of the Performance Rights Plan are set out in Annexure B.

### Further Considerations

The Company believes that it will derive a significant benefit by incentivising its senior management and key employees through the issue of Performance Rights under the Rights Plan. Additionally, the Company believes it to be in the best interests of the Company to preserve the maximum commercial flexibility to issue Equity Securities that is afforded to it by ASX Listing Rule 7.1.

The Directors recommend that you vote in favour of this Ordinary Resolution.

# Explanatory Memorandum

## RESOLUTIONS 5, 6, 7 & 8 – ISSUE OF CONVERTIBLE REDEEMABLE PREFERENCE SHARES AND CAPITAL RAISING

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### Introduction

The Company has entered into an agreement with Eurotin Inc. (TSX-V" TIN) (**Eurotin**) to acquire a 100% interest in the Oropesa Tin Project (**Oropesa**) located in Spain (**Transaction**). This will be accomplished by the acquisition by the Company of all of the shares in Minas De Estanto De Espana S.L.U (**Mespa**), a wholly owned subsidiary of Eurotin and the holder of the 100% interest in Oropesa. The Company made an announcement regarding the HOA and the Transaction on 31 July 2018. The Transaction is to be conducted by way of plan of arrangement under Canadian laws (**Plan of Arrangement**) pursuant to an arrangement agreement (**Arrangement Agreement**).

Upon completion of the Transaction, the Company will acquire a 100% interest in the current issued capital of Mespa, which owns Oropesa, by the issue of 1,000,000,000 fully paid ordinary shares in the Company (**Consideration Shares**) in consideration for the transfer of all Mespa shares to the Company. The Consideration Shares are ultimately to be held by Eurotin shareholders on a pro rata basis. The Company intends to complete the issue of the Consideration Shares by issuing to Eurotin 1,000,000,000 convertible redeemable preference shares (**CRPS**), with Eurotin then promptly dispensing these CRPS to its shareholders via an in specie distribution as a return of capital) (**Distribution**) pursuant to the Plan of Arrangement. The issue of the CRPS will occur on the date on which all required approvals to the Transaction are obtained (other than the Spanish Regional Mining Authority Approval discussed below) and all other conditions are satisfied or waived (**Interim Completion**). After issue to Eurotin, the CRPS will be distributed in specie by Eurotin pursuant to the Plan of Arrangement to each of the shareholders of Eurotin on a pro rata basis within 10 business days following issue of the CRPS.

As part of the Arrangement Agreement, an existing loan between Mespa and Mark Wellings (a director and significant shareholder of Eurotin) (**Wellings Loan**) is required to be formally documented to the satisfaction of the Company. The Wellings Loan will be secured by the issue of a convertible debenture (**Debenture**), which may be converted into Shares at the election of Mark Wellings and with the Company's prior written consent, or at Mark Wellings' election at the end of its maturity period. The Company has the ability to offset certain claims it may have under the Arrangement Agreement against any money owing under the Wellings Loan or the Debenture.

Once Interim Completion occurs, ELT will have certain rights to direct the activities of Mespa and will have certain obligations regarding contributing to the expenditure of Mespa, however, Eurotin will continue to remain the legal and beneficial owner of Mespa at the Interim Completion. As soon as the Spanish Mining Authority Approval is obtained, the transfer of the Mespa shares to ELT will occur (**Final Completion**). The CRPS will convert into ordinary shares in the Company within 10 business days of the Spanish Regional Mining Authority Approval being obtained and Final Completion occurring.

This structure ensures that the Company can effect the Interim Completion promptly, however, if for any reason the Spanish Regional Mining Authority Approval is not received or Final Completion does not occur prior to 12 months following the Distribution of CRPS, the Transaction will be at an end and the Company will then redeem the CRPS at their face value (being a nominal amount of \$0.0000001 per CRPS).

Completion of the Transaction pursuant to the Arrangement Agreement will take place in two stages, and is subject to the conditions precedent set out below. The conditions to Interim Completion must be satisfied or waived and Interim Completion must occur on or before 31 December 2018 (or such later date as agreed between the parties) and the conditions to Final Completion must be satisfied or waived and Final Completion must occur on or before the date which is 12 months after distribution of the CRPS to Eurotin Shareholders.

## Explanatory Memorandum

Prior to entry of the Arrangement Agreement:

- (a) each party had satisfactorily completed their due diligence enquiries;
- (b) the Wellings Loan was formally documented to the satisfaction of the Company; and
- (c) Mark Wellings (and his associates) delivered a voting agreement in support of any resolutions at any shareholder meeting of Eurotin to effect the Arrangement Agreement. Mark Wellings (and associates) currently holds 42,793,139 Eurotin shares (representing 40.1% of Eurotin's total issued shares).

It is a condition to Interim Completion that Andy Greig (and his associates) delivers a voting agreement in support of any resolutions at any shareholder meeting of the Company to effect the Arrangement Agreement following completion of the placement by the Company. Andy Greig (and associates) currently holds 272,226,820 Company shares (which following completion of the placement will represent 17.71% of the Company's total issued shares).

### Conditions Precedent

Completion of the two stages of the Transaction pursuant to the Arrangement Agreement is conditional upon:

- (a) For Interim completion:
  - (1) all shareholder approvals of the Company and Eurotin being obtained in accordance with all applicable laws, including for the distribution of the consideration shares to Eurotin's shareholders;
  - (2) all regulatory consents/authorisations required to implement the Arrangement Agreement being obtained in accordance with all applicable laws, including the rules and policies of all applicable stock exchanges, and any court-imposed orders being complied with;
  - (3) there not existing any prohibition at law, including a cease trade order, injunction or other prohibition or order at law against the Company or Eurotin which shall prevent the completion of the Arrangement Agreement;
  - (4) Andy Greig's voting agreement having been entered;
  - (5) Interim Completion occurring on or before 31 December 2018;
  - (6) between the date of the Arrangement Agreement and Interim Completion there not occurring any event that would reasonably be expected to have a material adverse effect on Mespa, the Company or any Company subsidiary;
  - (7) the ASX confirming to the Company that re-compliance with Chapters 1 and 2 of the ASX Listing Rules is not required;
  - (8) delivery to the Company of executed ASX escrow agreements for any ASX imposed escrow of the Consideration Shares;
  - (9) all encumbrances, charges or liens over the Mespa shares being discharged; and
  - (10) an agreement between Mespa and Sondeos y Perforaciones Industriales Del Bierzo, S.A. (**SPIB**) (**SPIB Deed**) governing the agreements that Mespa currently has

## Explanatory Memorandum

in place having been entered, in a form approved by Elementos in its sole discretion.

(b) For Final Completion:

- (1) all conditions for Interim Completion having been satisfied or waived;
- (2) the Spanish Regional Mining Authority Approval having been obtained on terms satisfactory to Elementos and Eurotin;
- (3) there not existing any prohibition at law, including a cease trade order, injunction or other prohibition or order at law against the Company or Eurotin which shall prevent the completion of the transfer of the Mespa shares;
- (4) the CRPS having been distributed to the shareholders of Eurotin pursuant to the Arrangement Agreement;
- (5) the date of Final Completion occurring on or before the date that is 12 months following distribution of the CRPS to Eurotin shareholders;
- (6) between the date of the Arrangement Agreement and Final Completion there not occurring any event that would reasonably be expected to have a material adverse effect on Mespa, the Company or any Company subsidiary; and
- (7) the SPIB Deed coming into effect according to its terms.

### ASX applications

The Company has made the following applications and submissions to ASX which it is yet to receive ASX's final determination on:

- a submission that pursuant to Chapter 6 of the Listing Rules the terms of the CRPS are appropriate and equitable - this approval will be required to satisfy the conditions precedent to Interim Completion;
- an application for a waiver in relation to Chapter 6 of the Listing Rules to permit the Company not to provide the holders of the CRPS with the entitlement to a dividend at a commercial rate in preference to holders of ordinary shares in the Company- this approval will be required to satisfy the conditions precedent to Interim Completion;
- an application for a waiver from Chapter 7 of the Listing Rules to allow the Debenture to be issued more than 3 months after the date of the Meeting - in the event this waiver is not granted, if the Debenture is issued more than 3 months after the date of the Meeting it will need to be issued in reliance on the Company's capacity pursuant to Listing Rule 7.1 or alternatively further Shareholder approval would be required;
- an application for a waiver from Chapter 9 of the Listing Rules to allow Consideration Shares issued to Eurotin shareholders (other than those issued to certain related parties) to be free from any escrow restrictions - If this waiver is not granted, all Eurotin shareholders would be required to enter ASX escrow agreements as a condition to Interim Completion; and
- a submission pursuant to Chapter 11 of the Listing Rules that the Transaction does not constitute a significant change to the nature or scale of the Company's activities under Listing Rule 11.1 rendering it necessary for either the approval of shareholders or the requirement to meet requirements in chapters 1 and 2 of the Listing Rules - it is a condition of Interim Completion that

## Explanatory Memorandum

ASX confirms to the Company that re-compliance with Chapters 1 and 2 of the ASX Listing Rules is not required.

### Details of Consideration Shares

The Consideration Shares comprise 1,000,000,000 CRPS.

The terms of the CRPS are set out in Annexure C to this Explanatory Memorandum.

The Company will initially issue CRPS at the Interim Completion as consideration, provided such shares are distributed to Eurotin shareholders and automatically convert to ordinary shares upon Final Completion occurring. Eurotin will distribute the CRPS via an in specie distribution as a return of capital to its shareholders. The conversion of CRPS will occur within 10 business days after the Spanish Regional Mining Authority Approval is obtained and Final Completion occurs.

Each share arising from conversion of the CRPS will rank pari passu with all other fully paid shares on issue, except that such shares arising from conversion of CRPS will not be entitled to any dividend or any other distribution or entitlement that has been declared or determined but not paid as at the date of conversion. If for any reason the Spanish Regional Mining Authority Approval is not received or Final Completion does not occur prior to 12 months following the Distribution of CRPS, the Transaction will be at an end and the Company will then redeem the CRPS at their face value (being a nominal amount of \$0.0000001 per CRPS).

### Distribution to Eurotin shareholders

Whilst the Consideration Shares will be issued to Eurotin, it is a condition of the Arrangement Agreement that Eurotin:

- (a) as soon as practicable after entry of the Arrangement Agreement, seek regulatory approvals for, and despatch a notice of meeting of shareholders to consider the necessary resolutions to effect, the Arrangement Agreement (**Eurotin Approval**); and
- (b) as soon as practicable after the Arrangement Agreement becomes unconditional, prepare an information circular for the proposal of the Arrangement Agreement to be despatched to the Arrangement Agreement participants (**Eurotin Circular**);

Subject to the appropriate approvals being obtained and completion occurring, the in specie distribution of the Consideration Shares must occur within 10 business days after issue of the CRPS to Eurotin (which will occur at Interim Completion).

If the shareholders of Eurotin do not approve the Distribution and the Plan of Arrangement, then the Company can terminate the Arrangement Agreement and the CRPS will not be issued.

If the CRPS are issued to Eurotin on Interim Completion of the Arrangement Agreement and the Distribution of the CRPS to Eurotin shareholders does not occur as contemplated by the Arrangement Agreement, then the Company can redeem the CRPS for a face value of \$0.0000001 per CRPS.

The Company anticipates that the meeting of Eurotin shareholders will be held on or about 5 December 2018.

The Arrangement Agreement also requires Eurotin to deliver to the Company duly executed ASX escrow agreements for any ASX-imposed escrow of the Consideration Shares. The Company has applied for a waiver from Chapter 9 of the Listing Rules to allow the Consideration Shares issued to Eurotin shareholders other than the Consideration Shares issued to certain related parties of the



## Explanatory Memorandum

Company and Eurotin (the **Restricted Holders**) to be free from any escrow restrictions. The Restricted Holders must deliver a duly executed ASX escrow agreements in respect of Consideration Shares held by them which applies for a period of 12 months from the date of issue of the new Shares. If the waiver that has been applied for by Elementos is not granted, all Eurotin shareholders would be required to enter ASX escrow agreements as a condition to Interim Completion.

### Placement

As announced by the Company on 31 July 2018, the Company has undertaken a capital raising to support the completion of the Transaction (and for general working capital processes). The Company has received binding commitments for a private placement to raise \$1.2 million at \$0.006 per share (**Placement**). The Placement will comprise up to 200 million shares issued in two tranches to unrelated sophisticated investors using the Company's current placement capacity under the Listing Rules (**Placement Shares**). Lions Bay Capital (**Lions Bay**) are being paid a fee of 100 million unlisted Company options (expiring 30 June 2020 exercisable at \$0.007) (**Lions Bay Options**) for arranging the Placement and general corporate advisory services related with the acquisition of the Oropesa project. The Placement Shares and Lions Bay Options were issued, or will be issued, in two tranches as follows:

- (a) 150,000,000 Placement Shares and 75,000,000 Lions Bay Options on or about 26 October 2018; and
- (b) 50,000,000 Placement Shares and 25,000,000 Lions Bay Options on or about 9 November 2018.

Ratification of the issue of the Placement Shares and Lions Bay Options is the subject of Resolutions 5 & 6.

### Debenture

As noted above, to secure the Wellings Loan the Company proposes to issue to Mark Wellings the Debenture. The Debenture will be issued at Final Completion, will have a face value of CAD\$1,000,000 (AUD\$1,080,000, assuming a conversion rate of 1.08 AUD to 1 CAD), will accrue interest at a rate for 5% per annum (non-compounding) and can be converted into Shares at the election of Mark Wellings with the prior written consent of the Company. The conversion price will be equal to the higher of AUD\$0.004 (**Floor Price**) or the volume weighted average price at which Shares have traded on the ASX for the 20 Trading Days prior to the date of issue of the relevant conversion notice.

While the number of Shares that may be issued on conversion of the Debenture is not known, as the conversion price will depend on the date on which conversion takes place, the conversion price will not be less than AUD\$0.004 and the maximum amount that may be converted into shares (being \$1,188,000, the initial face price of the Debenture and all accrued interest) is known. As such, the maximum number of Shares than may be issued can be determined (with an assumed conversion rate of 1.08 AUD to 1 CAD), which will be 297,000,000 Shares (**Debenture Shares**). Under the terms of the Debenture, no conversion is permitted that would result in a breach of the takeover rules under the Corporations Act. Further details of the terms of the Convertible Debenture are set out in the Annexure D.

### Impact of the issue of the Consideration Shares and the Debenture Shares on the Company

The following table sets out the impact of the issue of the Consideration Shares and the Placement Shares on the Company.

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	Issue of Placement Shares and Lions Bay Options only <sup>1</sup>		Issue of Consideration Shares, Placement Shares and Lions Bay Options <sup>2</sup>		Issue of Consideration Shares, Placement Shares, Debenture Shares and Lions Bay Options <sup>4</sup>	
Securities	Number	%	Number	%	Number	%
Shares	1,337,330,962	86.99%	1,337,330,962	52.71%	1,337,330,962	47.18%
Placement Shares	200,000,000	13.01%	200,000,000	7.88%	200,000,000	7.06%
Consideration Shares	-	0%	1,000,000,000	39.41% <sup>3</sup>	1,000,000,000	35.28%
Debenture Shares	-	0%	-	0%	297,000,000	10.48%
<b>Total</b>	<b>1,537,330,962</b>	<b>100%</b>	<b>2,537,330,962</b>	<b>100%</b>	<b>2,834,330,962</b>	<b>100%</b>
<i>Unlisted Options</i>	<i>10,000,000</i>	-	<i>10,000,000</i>	-	<i>10,000,000</i>	-
<i>Unlisted Performance Rights</i>	<i>30,000,000</i>	-	<i>30,000,000</i>	-	<i>30,000,000</i>	-
<i>Unlisted Lions Bay Options</i>	<i>100,000,000</i>	-	<i>100,000,000</i>	-	<i>100,000,000</i>	-

Note 1: This assumes that no options or performance rights have been exercised and no other shares are issued, other than the Placement Shares.

Note 2: This assumes that no options or performance rights have been exercised and no other shares are issued, other than the Consideration Shares and the Placement Shares and that the maximum number of Placement Shares are issued.

Note 3: On a fully diluted basis, allowing for an additional 140,000,000 Shares on exercise of the existing options (including the Lions Bay Options) and performance rights on issue, the Consideration Shares (upon conversion) would represent 33.62% of the issued capital of the Company (assuming that no other Shares are issued).

Note 4: This assumes that no options or performance rights have been exercised and no other shares are issued, other than the Consideration Shares, the Placement Shares and the Debenture Shares.

The following table sets out the substantial holders of the Company as at 19 October 2018 (being the last trading day before the finalisation of this Notice of Meeting) and as at Completion:

Substantial holders	Current holding		Holding on Final Completion	
	Number	%	Number	%
Mr Andy Greig	272,226,820	20.36%	272,226,820	10.73%
Keo Projects Pty Ltd	71,505,195	5.35%	71,505,195	2.82%
Bourse Securities Pty Ltd	67,366,667	5.04%	67,366,667	2.66%
Mark Wellings	Nil	Nil	400,905,050	15.80%

Mark Wellings, a director and largest shareholder of Eurotin, does not presently hold any Shares in the Company. However, on Completion Mark Wellings will hold 400,905,050 Shares in the Company, representing 15.8% of the total Shares on issue. In addition, under the terms of the Wellings Loan and the Debenture, Mark Wellings may be issued up to a further 297,000,000 Debenture Shares in the Company if the Debenture were to be fully converted at the Floor Price and based on an exchange rate of 1.08 AUD to 1 CAD, representing 10.48% of the total Shares then on issue (assuming no other shares in the Company are issued, other than the Consideration Shares and the Placement Shares). If

## Explanatory Memorandum

the Debenture is not converted, or is converted for a higher conversion price, this will result in a lesser number of Shares which may be issued, and in such a case the potential increase in holding of Mark Wellings will be less than that set out here. Under the terms of the Debenture, no conversion is permitted that would result in a breach of the Takeover provisions of the Corporations Act.

### Details regarding Eurotin and Mespa

The Company has entered into the Arrangement Agreement so that it can acquire a 100% of the current issued shares in Mespa, the holder of Oropesa.

Pursuant to the Arrangement Agreement, the Company will purchase a Eurotin Spanish subsidiary, Mespa, that owns 100% of Oropesa by acquiring all of the current issued and outstanding common shares in Mespa.

Eurotin is a TSV-X-listed company (TSX-V" TIN) and further details regarding Oropesa can be obtained from material released to the TSV-X by Eurotin.

The Company believes Oropesa is one of the best undeveloped tin resources in the Western World. Attractions include, a large JORC 2012 compliant Mineral Resource based on more than 54,000 metres of drilling, open-cut mining potential, simple metallurgy and processing, access to development infrastructure, and support from local stakeholders. A Feasibility Study is in progress, Environmental Studies complete and a Mining Licence Application lodged.

The acquisition represents an excellent strategic fit with the organisations core capability of developing tin projects, a fundamental driver of Eurotin's decision to partner with Elementos to deliver the Oropesa project.

Oropesa is a near-term development project and cash flow generation opportunity, being acquired at a very attractive valuation. The Company believes it will create significant share value-uplift potential for shareholders as the project is well advanced towards development.

(Please see the Company's ASX announcement "Acquisition of the Oropesa Tin Project" dated 31 July 2018 and 22 October 2018 for further information on Oropesa, Mespa and Eurotin and the terms of the Arrangement Agreement).

### Inter-conditionality

Resolutions 7 and 8 are conditional upon the passing of one another, so that each will not have effect unless and until the other is passed. Resolutions 5 and 6 are not conditional on the passing of Resolutions 7 or 8.

Resolutions 5 and 6 are not conditional upon the passing of any other Resolution.

### Board recommendation

Resolutions 7 and 8 must both be passed in order to facilitate completion of the Arrangement Agreement and the issue of the Consideration Shares. Accordingly, the Board recommends that Shareholders vote in favour of both resolutions.

The Board also recommends that Shareholders vote in favour of Resolutions 5 and 6.

# Explanatory Memorandum

## RESOLUTION 5: RATIFICATION OF PREVIOUS ISSUE OF PLACEMENT SHARES

As set out above, on or about:

- (a) 26 October 2018 the Company issued 150,000,000 Placement Shares; and
- (b) 9 November 2018 the Company will issue 50,000,000 Placement Shares,

at \$0.006 per Share to unrelated sophisticated investors as part of a capital raise to support the completion of the Transaction (and for general working capital). This issue was within the Company's Listing Rule 7.1 capacity.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

### Listing Rule Information

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		Information
7.5.1	The number of Securities issued	Up to 200,000,000 Shares
7.5.2	The price at which the Securities were issued	\$0.006 per Share
7.5.3	The terms of the Securities	The Shares issued rank parri passu with all other fully paid ordinary shares then on issue in the Company.
7.5.4	The names of the persons to whom the Securities were issued or the basis on which those persons were determined	The Placement Shares were or will be issued to unrelated sophisticated investors determined by the Board.
7.5.5	The use or intended use of the funds raised	To support the completion of the Transaction and for general working capital.
7.5.6	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolution 5.

### Effect of approval of Resolution 5 for the Company's 15% capacity under Listing Rule 7.1.

Approving Resolution 5 and ratifying the previous issue of up to 200,000,000 Placement Shares to unrelated sophisticated investors will permit the Company to rely on Listing Rule 7.1 to raise further

## Explanatory Memorandum

capital (if required) by issuing further securities not exceeding 15% of the Company's issued share capital in accordance with Listing Rule 7.1.

### Director's recommendation

The Directors unanimously recommend that you vote in favour of Resolution 5.

### RESOLUTION 6: RATIFICATION OF PREVIOUS ISSUE OF OPTIONS

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As set out above, on or about:

- (a) 26 October 2018 the Company issued 75,000,000 Lions Bay Options; and
- (b) 9 November 2018 the Company will issue 25,000,000 Lions Bay Options,

(expiring 30 June 2020 exercisable at \$0.007) as a fee for Lions Bay arranging the Placement and providing general corporate advisory services in relation to the proposed acquisition of the Oropesa Tin Project. This issue was within the Company's Listing Rule 7.1 capacity.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

### Listing Rule Information

For the purposes of Listing Rule 7.5, the Company provides the following information:

Listing Rule		Information
7.5.1	The number of Securities issued	Up to 100,000,000 unlisted options
7.5.2	The price at which the Securities were issued	The Lions Bay Options were or will be issued for nil cash consideration.
7.5.3	The terms of the Securities	The Lions Bay Options were or will be issued on the terms as set out below in Annexure E.
7.5.4	The names of the persons to whom the Securities were issued or the basis on which those persons were determined	The Lions Bay Options were or will be issued to Lions Bay Capital or its nominees.

## Explanatory Memorandum

7.5.5	The use or intended use of the funds raised	No funds were or will be raised by the issue of these options; the issue was in consideration for arranging the Placement and providing general corporate advisory services in relation to the proposed acquisition of the Oropesa Tin Project.
7.5.6	A voting exclusion statement.	A voting exclusion statement is included in the Notice of Meeting for Resolution 6.

### Effect of approval of Resolution 6 for the Company's 15% capacity under Listing Rule 7.1.

Approving Resolution 6 and ratifying the previous issue of up to 100,000,000 Lions Bay Options to Lions Bay (or its nominees) will permit the Company to rely on Listing Rule 7.1 to raise further capital (if required) by issuing further securities not exceeding 15% of the Company's issued share capital in accordance with Listing Rule 7.1.

#### Director's recommendation

The Directors unanimously recommend that you vote in favour of Resolution 6.

## RESOLUTION 7: ISSUE OF CONVERTIBLE REDEEMABLE PREFERENCE SHARES AND DEBENTURE - LISTING RULE 7.1

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### Introduction

Resolution 7 seeks Shareholder authorisation to issue 1,000,000,000 CRPS to Eurotin (being the Consideration Shares) and one Debenture to Mark Wellings that may be converted into Debenture Shares.

### CRPS Terms

The terms of the CRPS are set out in Annexure C to this Explanatory Memorandum.

### Debenture Terms

The terms of the Debenture are set out in Annexure D to this Explanatory Memorandum.

### ASX Listing Rule 7.1 - Issues exceeding 15% of capital

Subject to certain exceptions, Listing Rule 7.1 prohibits a listed company, from issuing or agreeing to issue in any 12 month period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period (**15% Capacity**) without either the prior approval of a majority of disinterested shareholders, or the issue otherwise falls within one of the prescribed exceptions to Listing Rule 7.1 (**15% Rule**).

Equity Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% Capacity.

Convertible redeemable preference shares and the Debenture are Equity Securities under the Listing Rules. However, under Exception 4 in Listing Rule 7.2, an issue of Equity Securities on the conversion of Convertible Securities does not count towards the 15% Capacity provided that the Company

## Explanatory Memorandum

complied with the Listing Rules when it issued the Convertible Securities (or issued the Convertible Securities before it was listed).

Therefore the Company is seeking Shareholder approval in accordance with Listing Rule 7.1 to issue the 1,000,000,000 CRPS and the Debenture, so that the issue of those CRPS, the Debenture and any Equity Securities issued upon conversion of those CRPS or the Debenture do not count towards the Company's 15% Capacity.

### Listing Rule Information

For the purposes of ASX Listing Rule 7.3, the Company provides the following information:

Listing Rule		Information
7.3.1	Maximum number of Securities to be issued	<p>1,000,000,000 CRPS, each with a face value of \$0.0000001 and converting into 1 ordinary share each on the terms set out in Annexure C.</p> <p>The maximum number of Shares that may be issued upon conversion of the CRPS is 1,000,000,000.</p> <p>One Debenture, with a face value of CAD\$1,000,000, converting into ordinary shares as set out above.</p> <p>The maximum number of Debenture Shares that approval is sought for pursuant to this Resolution 7 is 297,000,000.</p> <p>Refer to information set out above for details with regards to the effect that the issue of the CRPS and the Debenture will have on the share capital of the Company.</p>
7.3.2	Date by which the Company will issue the Securities	<p>It is anticipated that the Company will issue the CRPS at the Interim Completion pursuant to the Arrangement Agreement which is likely to be within a short time period following shareholder approval at the Meeting. In any event, the Company will issue the CRPS by no later than 3 months after the date of the Meeting as required by the Listing Rules (subject to Interim Completion pursuant to the Arrangement Agreement taking place) (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).</p> <p>The Company will issue the CRPS at the Interim Completion as consideration, provided such shares are distributed to Eurotin shareholders and will automatically convert to ordinary shares upon Final Completion occurring. Eurotin will distribute the CRPS via an in specie distribution (a return of capital) to its shareholders. The conversion of CRPS will occur within 10 business days after the Spanish Regional Mining Authority Approval is obtained and Final Completion occurs (see Annexure C for further details).</p> <p>The Company will issue the Debenture at Final Completion. The Debenture may be converted into Shares at any time up to its maturity date (being 2 years after the date of issue of the Debenture). The Company has applied for a waiver of Listing</p>

## Explanatory Memorandum

		<p>Rule 7.3.2 to allow the Debenture to be issued more than 3 months after the date of the Meeting.</p> <p>The Debenture Shares may be issued at any time during the term of the Debenture and within 20 business days of the maturity date.</p>
7.3.3	Issue price of Equity Securities	<p>The CRPS will be issued for nil cash consideration as they are being issued as consideration for the acquisition of shares in Mespa pursuant to the Arrangement Agreement.</p> <p>The Debenture will be issued for nil cash consideration as it is issued as security for the Wellings Loan. The Debenture Shares will be issued for nil cash consideration as they will be issued in satisfaction of the repayment obligations of Elementos under the Debenture.</p>
7.3.4	Allottees of Equity Securities	<p>The CRPS will initially be issued by the Company to Eurotin.</p> <p>The CRPS are required under the Arrangement Agreement to be distributed to the shareholders of Eurotin in accordance with the Distribution. After the Distribution, the CRPS will be held by the shareholders of Eurotin and Eurotin will not retain any CRPS. The CRPS will be converted into Shares within 10 business days after the Spanish Regional Mining Authority Approval is obtained and Final Completion occurs.</p> <p>The Debenture will be issued to Mark Wellings. The Shares issued on conversion of the Debenture will be issued to Mark Wellings or his nominee.</p>
7.3.5	Terms of the Equity Securities	<p>The CRPS have the terms as set out in Annexure C to this Notice.</p> <p>The terms of the Debenture are set out in Annexure D to this Notice.</p> <p>Any Shares issued upon the conversion of the CRPS and the Debenture shall rank pari passu with all other existing Shares on issue in the Company at the time of conversion.</p>
7.3.6	Use of funds raised	<p>No funds will be raised from the issue of the CRPS, the Debenture or Shares issued on conversion of the CRPS and the Debenture.</p> <p>The CRPS are issued as consideration for the acquisition of the shares in Mespa under the Arrangement Agreement.</p> <p>The Debenture is issued as security for the Wellings Loan.</p>
7.3.7	Dates of allotment	<p>The CRPS will be allotted at Interim Completion of the Arrangement Agreement which is to occur on or before 31 December 2018 and will be converted into Shares within 10 business days after the Spanish Regional Mining Authority Approval is obtained and Final Completion occurs (which must occur within 12 months of the Distribution of the CRPS).</p> <p>The Debenture will be issued on Final Completion.</p>



## Explanatory Memorandum

		The CRPS, the Debenture and Shares issued on conversion of the CRPS or the Debenture will be issued progressively.
7.3.8	Voting Exclusion Statement	A voting exclusion statement is included in the Notice of Meeting for Resolution 7.

### Director's recommendation

The Directors unanimously recommend that you vote in favour of Resolution 7.

### RESOLUTION 8 - ISSUE OF CONVERTIBLE REDEEMABLE PREFERENCE SHARES - SECTION 254A(2) Approval being sought

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Section 2.2 of the Constitution allows the Board to, subject to the Corporations Act, issue preference shares, and the Board may allot or otherwise dispose of these preference shares on the terms and conditions, and at the times, that the Board thinks fit.

Section 254A(2) of the Corporations Act specifies that a company can only issue preference shares if the rights attached to them are set out in the company's constitution or have otherwise been approved by Special Resolution of the company.

Accordingly, the Board is seeking shareholder approval for the purposes of section 254A(2) of the Corporations Act, by a Special Resolution, to issue the CRPS on the terms and with the rights provided for as set out in Annexure C (**Preference Share Terms**).

#### Rights to be attached to the Company Preference Shares

The rights that are to be attached to the CRPS are set out in Annexure C.

#### Consequences of Resolutions being passed

If Shareholder approval of Resolutions 7 and 8 are obtained, the Company will lodge with ASIC a copy of Resolution 8 in accordance with section 246F. The effect of doing so will be that if and when the Company subsequently issues the CRPS, as contemplated by and in accordance with the Arrangement Agreement, the issue of those new preference shares of the Company will not constitute a variation of the rights of any other shareholders of the Company under section 246C(5) or 246C(6) of the Corporations Act on the basis that the rights attaching to the new shares (the CRPS) will have been provided for in a notice, document or resolution that is lodged with ASIC.

### Director's recommendation

The Directors unanimously recommend that you vote in favour of this Special Resolution 8.

### RESOLUTION 9 – APPROVAL TO ISSUE AN ADDITIONAL 10% OF THE ISSUED CAPITAL OF THE COMPANY OVER A 12 MONTH PERIOD PURSUANT TO LISTING RULE 7.1A

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#### Introduction

Pursuant to Resolution 9, the Company is seeking Shareholder approval to issue an additional 10% of issued capital over a 12 month period in accordance with Listing Rule 7.1A.

# Explanatory Memorandum

## General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve Resolution 9, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 9 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting (**Placement Securities**), without subsequent Shareholder approval and without using the Company's 15% annual placement capacity under Listing Rule 7.1.

The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital (including payment of expenses associated with the issue of Placement Securities).

Resolution 9 is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the AGM.

### Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

#### *Eligibility*

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$7.8 million.

The Company is therefore an eligible entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A. In the event that the Company is no longer an eligible entity to undertake an Additional 10% Placement after the Company has already obtained Shareholder approval, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the Shares.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

#### *Special Resolution*

Listing Rule 7.1A requires this Resolution 9 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution.

## Explanatory Memorandum

Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

### *Shareholder Approval*

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

### *Date of Issue*

The Placement Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), at which time approval under Listing Rule 7.1A will cease to be valid; or
- (iii) such longer period if allowed by ASX.

### **(10% Placement Capacity Period).**

If approval is given for the Additional 10% Placement at the AGM on 30 November 2018, then the approval will expire on 30 November 2019. In addition, the approval under Resolution 9 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the AGM.

### **Formula for calculating Additional 10% placement**

Assuming all Placement Shares are issued, at the date of the Meeting, the Company will have on issue 1,537,330,962 Shares, and therefore has capacity to issue:

- (i) 230,599,644 Equity Securities under Listing Rule 7.1; and
- (ii) 153,733,096 Equity Securities under Listing Rule 7.1A.

Listing Rule 7.1A.2 provides that Eligible Entities that have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the blow formula. The exact number of Equity Securities that the Company may issue with approval under Listing Rule 7.1A will be calculated according to the following formula:

### **(A x D) – E**

Where:

**A** = the number of fully paid ordinary securities (Shares) on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4;
- (iv) less the number of Shares cancelled in the previous 12 months.

## Explanatory Memorandum

D = 10%.

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

### Technical information required by Listing Rule 7.1A and Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

#### *Equity Securities*

Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this notice of meeting, the only class of Equity Securities in the Company quoted on the ASX are ordinary shares. The Company presently has 1,487,330,962 shares on issue at the date of this Notice of Meeting, and will have 1,537,330,962 shares on issue at the date of the Meeting once all Placement Shares have been issued.

#### *Minimum Price*

The minimum price at which the Placement Securities may be issued is 75% of the volume weighted average price of Equity Securities in the same class, calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the relevant Placement Securities are to be issued is agreed; or
- (ii) if the relevant Placement Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the relevant Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the relevant Placement Securities.

#### *Information on Allotment*

If Resolution 9 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (i) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- (ii) the following information required by rule 3.10.5A, will be released to the market on the date of issue:
  - a. details of the dilution to the existing holders of Equity Securities caused by the issue;
  - b. where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
  - c. details of any underwriting arrangements, including any fees payable to the underwriter; and
  - d. any other fees or costs incurred in connection with the issue.

## Explanatory Memorandum

### *Risk of voting dilution*

Any issue of Placement Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue. If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Listing Rule 7.1A.2		\$0.0025	Dilution \$0.0050	\$0.0100
		50% decrease in Market Price	Market Price	100% increase in Market Price
<b>Current Issued Capital</b>	10% voting dilution	153,733,096	153,733,096	153,733,096
	1,537,330,962	Funds raised	\$384,333	\$768,665
<b>50% increase in current issued capital</b>	10% voting dilution	230,599,644	230,599,644	230,599,644
	2,305,996,443	Funds raised	\$576,499	\$1,152,998
<b>100% increase in current issued capital</b>	10% voting dilution	307,466,192	307,466,192	307,466,192
	3,074,661,924	Funds raised	\$768,665	\$1,537,331

The table above uses the following assumptions:

1. Resolution 9 is passed.
2. The current Shares on issue are the Shares on issue as at 19 October 2018 and assuming that all Placement Shares have been issued.
3. The Share price set out above is the closing price of the Shares on the ASX on 19 October 2018 (being the last trading day before the finalisation of this Notice of Meeting).
4. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
5. The above table only shows the dilutionary effect based on the 10% Placement Capacity under Listing Rule 7.1A and not the 15% issue under Listing Rule 7.1.
6. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
7. The issued capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 19 October 2018 and assuming that all Placement Shares have been issued.
8. The issue price of the Placement Securities used in the table is the same as the Share price and does not take into account any discount to the share price (if any).

## Explanatory Memorandum

9. No Options are exercised into Shares before the date of the issue of the Equity Securities under Listing Rule 7.1A.
10. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
11. Only Shares will be issued under the 10% Placement Capacity and none of the Company's unquoted Options rights have been exercised.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the issue date of any Placement Securities than on the date of the Annual General Meeting; and
- (ii) the Placement Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the date of issue,

which may have an effect on the amount of funds raised by the issue of the Placement Securities.

### **Purpose of Issue under 10% Placement Capacity – Listing Rule 7.3A.4**

The Company may issue Placement Securities under the 10% Placement Capacity for the following purposes:

- (i) for cash consideration, in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital (including payment of expenses associated with the issue of Placement Securities); or
- (ii) for non-cash consideration for the acquisition of new resources assets and investments and payment of expenses, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

### **Allocation under the 10% Placement Capacity**

The allottees of the Placement Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Placement Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties or Associates of a related party of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the Additional 10% Placement will be vendors of the new assets or investments.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Placement Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

## Explanatory Memorandum

### Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained approval under Listing Rule 7.1A at the annual general meeting held on 30 November 2017. No Equity Securities were issued pursuant to the Listing Rule 7.1A approval during the year.

As the Company previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6 regarding the total number of Equity Securities (quoted and unquoted) issued in the past 12 months preceding the date of the Meeting (that is, since 30 November 2017).

**Listing Rule 7.3A.6(a):** The total equity securities issued in the 12 months preceding the date of the Meeting (until 22 October 2018 being the date of preparation of this Notice of Meeting and excludes any securities that may have been issued between this date and the date of the Meeting but including the 200,000,000 Placement Shares and 100,000,000 Lions Bay Options):

<b>Number of equity securities on issue 12 months before the date of the Meeting</b>	1,239,556,624 Shares 9,300,000 Unlisted Options (\$0.03 @ 20-Mar-18) <sup>1</sup> 1,000,000 Unlisted Options (\$0.012 @ 31-Jul-18) <sup>1</sup> 284,390,483 Unlisted Options (\$0.06 @ 30-Jun-18) <sup>1</sup> 10,000,000 Unlisted Options (\$0.012 @ 31-Jul-19) <b>1,544,247,107</b> Total number of equity securities
<b>Equity securities issued in the preceding 12 month period</b>	200,000,000 Placement Shares (excluding 97,774,338 Shares issued upon exercise of Unlisted \$0.006 Options) 100,000,000 Lions Bay Options 30,000,000 Performance Rights (@ 30-Jun-20) <b>330,000,000</b> Total number of equity securities issued
<b>Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period</b>	21.37%

**Note(1)** – these unlisted options either expired or were exercised within the last 12 months

**Listing Rule 7.3A.6(b):** Details of equity securities issued in the previous 12 months until 22 October 2018 (being the date of preparation of this Notice of Meeting) and excludes any securities that may have been issued between this date and the date of the Meeting but including the 200,000,000 Placement Shares and 100,000,000 Lions Bay Options:

<b>Type of Equity Securities</b>	Placement Shares and Unlisted Options
<b>Terms</b>	Fully Paid Ordinary Shares (at \$0.006 each) and Unlisted Options, exercisable at \$0.007 each on or before 30-Jun-20. The Options vest automatically on date of issue
<b>Details of Issue</b>	Placement Shares and Lions Bay Options (details of which are set out in Resolutions 5 and 6)

## Explanatory Memorandum

<b>Issue Date</b>	Placement Shares and Lions Bay Options issued on or about 26 October 2018 and 9 November 2018
<b>Number Issued</b>	200,000,000 Shares and 100,000,000 Options
<b>Name of recipient or basis on which recipient determined</b>	<p>The allottees of the Shares were subscribers to the Private Placement who are exempt from the disclosure requirements of the Corporations Act. None of the allottees were related parties of the Company at the time of the Private Placement.</p> <p>The allottee of the Options was Lions Bay (or its nominees), and this issue was for arranging the Placement and general corporate advisory services related with the acquisition of the Oropesa project. Lions Bay (or its nominees) are exempt from the disclosure requirements of the Corporations Act.</p>
<b>Issue price of Equity Securities and Discount to closing market price on the date of issue</b>	<p>\$0.006 per share, Options issued for nil consideration</p> <p>Discount of Placement Shares = n/a. Not issued at date of this Notice of Meeting.</p>
<p><b>If issue for cash consideration – the total funds received, use of funds and amount remaining;</b></p> <p><b>If issue for non-cash consideration – the non-cash consideration paid and current value of non-cash consideration</b></p>	<p>Money raised from the issue of the Placement Shares is to be used for the purposes of:</p> <ul style="list-style-type: none"> <li>• Due diligence costs associated with the Oropesa Tin Project acquisition;</li> <li>• Completion of the Malaysian Temenger Joint Venture agreement and commencing exploration;</li> <li>• Engineering and metallurgical studies in relation to the Cleveland Project;</li> <li>• Corporate costs, working capital and costs of the issue.</li> </ul> <p>No funds will be raised from the issue of the Lions Bay Options as they were not issued for cash consideration. The Lions Bay Options were issued in consideration for Lions Bay arranging the Placement and general corporate advisory services related with the acquisition of the Oropesa project.</p>
<b>Type of Equity Securities</b>	Performance Rights
<b>Terms</b>	<p>Issue of Performance Rights to the Chief Executive Officer under the Elementos Performance Rights Plan.</p> <p>The Performance Rights were issued to the CEO pursuant to the CEO's employment contract, a resolution by the Board and the Performance Rights Plan (previously approved at the Company's 2015 AGM). Refer to the Company's announcement of 23 October 2015 for further details of the terms of the Performance Rights.</p> <p>Each Performance Right carries the right to one Elementos Ltd Share, subject to satisfaction of certain performance hurdles/vesting conditions and provides an incentive for the participant to remain engaged with Elementos Ltd in the long term as well as aligning the objectives of the CEO with that of Shareholders.</p>



## Explanatory Memorandum

	The performance period relevant to the Performance Rights expires on 30 June 2020.
<b>Details of Issue</b>	Issue of Performance Rights
<b>Issue Date</b>	9 February 2018
<b>Number Issued</b>	30,000,000 Performance Rights
<b>Name of recipient or basis on which recipient determined</b>	Elementos Ltd Chief Executive Officer, Mr Chris Creagh
<b>Issue price of Equity Securities and Discount to closing market price on the date of issue</b>	Performance Rights issued for nil cash consideration. Discount = Nil
<b>If issue for cash consideration – the total funds received, use of funds and amount remaining; If issue for non-cash consideration – the non-cash consideration paid and current value of non-cash consideration</b>	Cash consideration - Not applicable Non-cash consideration – On the basis of the share price of \$0.005 on 19 October 2018, these shares have a current value of \$150,000.

<b>Type of Equity Securities</b>	Shares
<b>Terms</b>	Fully Paid Ordinary Shares
<b>Details of Issue</b>	Issue of Shares on exercise of Unlisted Options
<b>Issue Dates</b>	16-Nov-17 – 9,166,667 Options exercised 21-Nov-17 – 6,620,809 Options exercised 1-Dec-17 – 11,189,370 Options exercised 14-Dec-17 – 6,507,667 Options exercised 10-Jan-18 – 2,198,434 Options exercised 17-Jan-18 – 1,795,985 Options Exercised 24-Jan-18 – 6,291,668 Options Exercised 7-Feb-18 – 500,000 Options Exercised 26-Apr-18 – 900,000 Options Exercised 21-May-18 – 1,879,192 Options Exercised 13-Jun-18 – 5,550,125 Options Exercised 20-Jun-18 – 33,718,080 Options Exercised 27-Jun-18 – 6,138,289 Options Exercised 4-Jul-18 – 5,318,052 Options Exercised
<b>Number Issued</b>	97,774,338 Ordinary Shares
<b>Name of recipient or basis on which recipient determined</b>	Various recipients holding options from the Company's Rights Issue announced on 29 June 2017.

## Explanatory Memorandum

<p><b>Issue price of Equity Securities and Discount to closing market price on the date of issue</b></p>	<p>\$0.006 per option exercised</p> <p>Discounts:</p> <p>16-Nov-17 – 100%</p> <p>21-Nov-17 – 67%</p> <p>1-Dec-17 – 67%</p> <p>14-Dec-17 – 50%</p> <p>10-Jan-18 – 67%</p> <p>17-Jan-18 – 83%</p> <p>24-Jan-18 – 50%</p> <p>7-Feb-18 – 33%</p> <p>26-Apr-18 – 0%</p> <p>21-May-18 – 0%</p> <p>13-Jun-18 – 0%</p> <p>20-Jun-18 – (8%)</p> <p>27-Jun-18 – (17%)</p> <p>4-Jul-18 – 0%</p>
<p><b>If issue for cash consideration – the total funds received, use of funds and amount remaining;</b></p> <p><b>If issue for non-cash consideration – the non-cash consideration paid and current value of non-cash consideration</b></p>	<p>The Options exercised (97,774,338 @ \$0.006 each) raised \$586,646.03. To date approximately \$500,000 of these funds have been used for ongoing exploration and general working capital and the balance of these funds will be used for the same purposes.</p>

### Directors recommendation

The Directors unanimously recommend that you vote in favour of this Special Resolution 9.

# Explanatory Memorandum

## INTERPRETATION

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**Advisory Resolution** means a Resolution which, the result of voting by Shareholders, does not bind the Company.

**Annual General Meeting, AGM or Meeting** means the annual general meeting of the Company to be held on 30 November 2018.

**Annual Report** means the document entitled 'Consolidated Financial Report for the Year Ended 30 June 2018 of the Company announced on 25 September 2018.

**Associate** has the meaning given to that term in the Listing Rules.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or Australian Securities Exchange (as applicable).

**Board** means the board of Directors of the Company.

**Business Day** means a day on which all banks are open for business generally in Brisbane.

**Chairperson or Chair** means the person chairing the Meeting.

**Closely Related Party** (as defined in section 9 of the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of the definition of closely related party.

**Company or Elementos** means Elementos Limited ACN 138 468 756.

**Consideration Shares** means 1,000,000,000 CRPS.

**Constitution** means the constitution of the Company from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CRPS** means convertible redeemable preference shares on the terms set out at Annexure C.

**Debenture** means the convertible debenture to be issued to Mark Wellings as security for the Wellings Loan.

**Debenture Shares** means the shares to be issued to Mark Wellings or his nominee on conversion of the Debenture, being a maximum of 297,000,000 Shares with an issue price equal to the higher of the Floor Price or the VWAP of the Shares for the 20 Trading Days prior to the date of issue of the relevant conversion notice.

## Explanatory Memorandum

**Directors** mean the directors of the Company.

**Directors' Report** means the document dated 25 September 2018 entitled 'Directors' Report' contained within pages 13 to 28 of the Annual Report.

**Distribution** means the distribution in specie whether by way of dividend or return of capital of the CRPS to Eurotin shareholders pursuant to the Arrangement Agreement.

**Eligible Entity** has the meaning given to that term in the Listing Rules.

**Employee Share and Option Plan** is the employee share and option plan of the Company which is summarised in Annexure A.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Statement** means this explanatory statement accompanying the Notice of Meeting.

**Face Value** means \$0.0000001.

**Floor Price** means \$0.004.

**Key Management Personnel** or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of that entity.

**Lions Bay** means Lions Bay Capital Inc (LBI).

**Lions Bay Options** means 100 million unlisted options to subscribe for Shares on the terms set out in Annexure E.

**Listing Rules** means the listing rules of ASX as amended from time to time.

**Market Price** means the closing market price as that term is defined in the Listing Rules.

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Statement.

**Options** mean options to acquire or subscribe for Shares.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast by members entitled to vote on the Resolution.

**Performance Rights** means the performance rights issued under the Performance Rights Plan.

**Performance Rights Plan** means the performance rights plan which is summarised in Annexure B.

**Placement** means the issue of the Placement Shares.

**Placement Shares** has the meaning given to that term in Resolution 5.

**Placement Securities** means the Equity Securities that may be issued if Resolution 9 is passed, representing up to 10% of the issued capital of the Company (at the time of issue) and calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3, and otherwise on the terms and conditions described in the Explanatory Statement.

## Explanatory Memorandum

**Remuneration Report** means the section of the Directors' Report in the Annual Report dealing with the remuneration of the Company's Directors, Company Secretary and senior executives described as 'Remuneration Report'.

**Resolutions** means the resolutions proposed to be put to Shareholders at the Annual General Meeting and **Resolution** shall have a corresponding meaning.

**Securities** has the meaning in section 92(1) of the Corporations Act.

**Shareholder** means a holder of ordinary shares in the Company.

**Shares** means ordinary fully paid shares in the issued capital of the Company.

**Special Resolution** means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) passed by at least 75% of the votes cast by members entitled to vote on the Resolution.

**Trading Day** has the meaning given to that term in the Listing Rules.

**VWAP** means the volume weighted average market price of the Shares.

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Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Duncan Cornish (Company Secretary):

**Phone:** +61 7 3212 6299

**Email:** [admin@elementos.com.au](mailto:admin@elementos.com.au)

# Explanatory Memorandum

## Annexure A

### Summary of the key terms of the Employee Share and Option Plan

1. The Plan is to extend to Eligible Persons or Eligible Associate (as the case may be) of Elementos Limited ACN 138 468 756 (**the Company**) or an Associated Body Corporate of the Company as the Board may in its discretion determine.
2. The total number of Securities which may be offered by the Company under this Plan shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous 3 year period under:
  - (a) an employee incentive scheme covered by ASIC CO 14/1000; or
  - (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
3. The Shares are to be issued at a price determined by the Board.
4. The Options are to be issued for no consideration.
5. The exercise price of an Option is to be determined by the Board at its sole discretion.
6. The Option Commencement Date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board prior to the issuance of the relevant Options.
7. The Option Period commences on the Option Commencement Date and ends on the earlier of:
  - (a) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than 2 years; or
  - (b) if an Eligible Person's employment or engagement with the Company or an Associated Body Corporate ceases because of an Uncontrollable Event, the earlier of:
    - (1) the expiry of the Option Period; or
    - (2) 6 months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement; or
  - (c) if an Eligible Person's employment or engagement with the Company or an Associated Body Corporate ceases because of a Controllable Event:
    - (1) the expiry of the Option Period; or
    - (2) 3 months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement; or
  - (d) the Eligible Person ceasing to be employed or engaged by the Company or an Associated Body Corporate of the Company due to fraud, dishonesty or being in material breach of their obligations to the Company or an Associated Body Corporate.

## Explanatory Memorandum

8. Eligibility to participate is determined by the Board. Eligibility is restricted to Eligible Persons (or their Eligible Associates where applicable) of the Company or an Associated Body Corporate of the Company. The Board is entitled to determine:
- (a) subject to paragraph 2, the total number of Shares and Options to be offered in any 1 year to Eligible Persons or Eligible Associates;
  - (b) the Eligible Persons to whom offers will be made; and
  - (c) the terms and conditions of any Shares and Options granted, subject to the Plan.
9. In respect of Options, Option holders do not participate in dividends or in bonus issues unless the Options are exercised.
10. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.
11. In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with the formula in the terms of the Plan.
12. The Board has the right to vary the entitlements of Participants to take account of the effect of capital reorganisations, bonus issues or rights issues.
13. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
14. The Board may impose as a condition of any offer of Shares and Options under the Plan any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
15. The Board may vary the Plan.
16. The Plan is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an Eligible Person under the terms of his or her employment or arrangement.
17. At any time from the date of an Offer until the Acceptance Date of that Offer, the Board undertakes that it shall provide information as to:
- (a) the Current Market Price of the Shares; and
  - (b) the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the Offer,
- to any Participant within 3 Business Days of a written request to the Company from that Participant to do so.
18. Any Offer made pursuant to this Plan will specify whether subdivision 83A-C of the applicable Tax Laws applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.

## Explanatory Memorandum

In this Plan:

**Controllable Event** means cessation of employment or engagement other than by an Uncontrollable Event.

**Uncontrollable Event** means:

- (a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
- (b) forced early retirement, retrenchment or redundancy; or
- (c) such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

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# Explanatory Memorandum

## Annexure B

Summary of the key terms of the Performance Rights Plan	
<b>Plan Overview</b>	<p>The Performance Rights Plan (the <b>Plan</b>) is to extend to Eligible Persons of the Company as the Board may in its discretion determine.</p> <p>The Plan is a long term incentive aimed at creating a stronger link between both an Eligible Person's performance and reward, whilst increasing Shareholder value in the Company.</p>
<b>Eligible Person and Eligible Associate</b>	<p>A Director, Employee, Contractor or Prospective Participant (or the Eligible Associate of such person) of the Company or an Associated Body Corporate who the Board determines to be eligible to participate in the Plan.</p> <p>An Eligible Associate is;</p> <ul style="list-style-type: none"> <li>(a) an immediate family member of an Eligible Person;</li> <li>(b) a company whose members comprise no persons other than the Eligible Person or immediate family members of the Eligible Person; or</li> <li>(c) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Person is a director of the trustee.</li> </ul>
<b>Participant</b>	An Eligible Person or an Eligible Associate who applies and becomes a member of the Plan is a Participant.
<b>Plan limit</b>	<p>The total number of Performance Rights to be issued by the Company under the Plan shall not at any time exceed 5% of the Company's total issued share capital when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:</p> <ul style="list-style-type: none"> <li>a) an employee incentive scheme covered by ASIC CO 14/1000; or</li> <li>b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.</li> </ul>
<b>Acceptance of Invitation to Participate in the Plan</b>	An Invitation to participate in the Plan may be accepted by an Eligible Person (to whom the invitation is made), by delivering to the Company written acceptance in the form determined by the Board and stated in the letter of Invitation. An Eligible Person who receives an Invitation may renounce the invitation in favour of the Invitation being made to an Eligible Associate.
<b>Performance Hurdles</b>	<p>The Board will determine in its absolute discretion whether any performance hurdles or other conditions (including as to time) will be required to be met (<b>Performance Hurdles</b>) before the Performance Rights which have been granted under the Plan can vest.</p> <p>Performance Rights will vest upon the satisfaction of the Performance Hurdles.</p>
<b>Issue Price</b>	A Participant will not pay any consideration for the grant of Performance Rights.
<b>Exercise Price</b>	No amount shall be payable by a Participant on the exercise of a Vested Performance Right.
<b>Exercise Period</b>	The terms for exercise, including the exercise period, are stated in the Invitation, however the exercise period must not exceed seven years unless otherwise determined by the Board of Directors of the Company.

# Explanatory Memorandum

## Summary of the key terms of the Performance Rights Plan

### Lapse

- A Performance Right lapses, to the extent that it has not been exercised, on the earlier to occur:
- the date on which the Board makes a determination that the Performance Hurdles have not been satisfied;
  - the date on which the Board makes a determination that a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company or an Associated Body Corporate; or
  - in the event of a Change in Control Event (being a scheme of arrangement, takeover bid, or ability to replace all or a majority of the Directors), the last day specified in writing in a notice given by the Board to each Participant, that he or she may exercise Vested Performance Rights;
  - if an Eligible Person's employment or engagement with the Company or Associated Body Corporate ceases because of:
    - death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
    - forced early retirement, retrenchment or redundancy; or
    - such other circumstances which results in a Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event;,
 (each an **Uncontrollable Event**), the earlier of:
    - the Last Exercise Date; or
    - the date that is 3 months from the date of cessation of employment or engagement;
  - if an Eligible Person's employment or engagement with the Company or Associated Body Corporate ceases for reasons other than due a Uncontrollable Event:
    - in respect of a vested Performance Right:
      - the Last Exercise Date; or
      - 3 months from the date of cessation of employment or engagement; or
    - in respect of an unvested Performance Right the date of cessation of employment or engagement;
- and
- the day ending at 5.00pm (Brisbane time) on the date which is 84 months following the date of issue of the Performance Rights, unless otherwise determined by the Board.

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## Explanatory Memorandum

Summary of the key terms of the Performance Rights Plan	
<b>Rights and restrictions of Performance Rights</b>	<ul style="list-style-type: none"> <li>• Performance Rights issued pursuant to the Plan have no rights to dividends or other distributions and no rights to vote at meetings of the Company until that Performance Right is exercised and the holder of the Performance Rights is a Shareholder in the Company;</li> <li>• Shares acquired upon exercise of the Performance Rights will upon allotment rank pari passu in all respects with other Shares, except as set out in the Plan;</li> <li>• If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate;</li> <li>• Performance Rights will not be quoted on the ASX. The company will apply for quotation of the exercised Shares on the ASX within ten Business Days after the date of allotment of those Shares; and</li> <li>• A Performance Right does not confer on the Participant the right to participate in a new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.</li> </ul>
<b>Assignability</b>	Except on the death of a Participant, Performance Rights may not be transferred, assigned or novated except with the approval of the Board
<b>Administration</b>	The Plan is administered by the Board, which has the discretion (exercised reasonably and in good faith) to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules, including any waiver granted by ASX) in addition to those set out in the Plan.
<b>Change of Control</b>	<p>Where there is publicly announced any proposal in relation to the Company which the Board reasonably believes may lead to a Change in Control Event:</p> <ol style="list-style-type: none"> <li>a) all of the Participant's Unvested Performance Rights, that have not lapsed, will become Vested Performance Rights; and</li> <li>b) the Board shall promptly notify each Participant in writing that he or she may, within the period specified in the notice, exercise Vested Performance Rights.</li> </ol> <p><b>Control Event</b> means any of the following:</p> <ol style="list-style-type: none"> <li>a) the Company entering into a scheme of arrangement with its creditors or Shareholders or any class thereof pursuant to section 411 of the Corporations Act;</li> <li>b) the commencement of a bid period (as defined in the Corporations Act) in relation to the Company to acquire any Share where the takeover bid extends to Shares issued and allotted after the date of the takeover bid; or</li> <li>c) when a person or group of associated persons having a relevant interest in, subsequent to the adoption of these Rules, sufficient Shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons,</li> </ol>
<b>Amendments</b>	The Board may amend the Plan at any time, but may not do so in a way which materially reduces the rights of Participants' existing rights without their consent, unless the amendment is to comply with the law, to correct an error or similar.
<b>Termination and suspension</b>	The Plan may be terminated or suspended at any time by resolution of the Directors without notice to the Participants.

# Explanatory Memorandum

## Annexure C

### Convertible Redeemable Preference Share Terms

#### 1. Glossary

##### 1.1 Constitution

Unless the context otherwise requires words and expressions used in the Terms have the meanings ascribed to them respectively in the Constitution;

##### 1.2 Corresponding meaning

If a word or phrase is defined, its other grammatical forms have a corresponding meaning; and

##### 1.3 Definitions

The following expressions have the following meanings:

<b>ASTC</b>	ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532) or any successor.
<b>Automatic Conversion</b>	has the meaning given to that term in clause 3.1.
<b>Automatic Conversion Date</b>	10 business days after the later of: (a) the Regional Mining Authority Approval is received; and (b) the MESPA Share Transfer Completion occurs.
<b>Board</b>	The board of directors of the Company.
<b>CHESS</b>	the Clearing House Electronic Subregister System operated by ASTC.
<b>Company</b>	Elementos Limited.
<b>Condition Failure Event</b>	(c) If the CRPS are not registered in the name of the Distribution Recipient as a result of the Distribution by the date being 10 business days after the issue of the CRPS; or (d) If the Regional Mining Authority Approval is not received within 12 months following the Distribution of CRPS; or (e) If the MESPA Share Transfer Completion does not occur within 12 months following the Distribution of CRPS; or (f) the Arrangement Agreement between the Company and Eurotin Inc dated on or about 19 October 2018 is terminated in accordance with its terms.
<b>Constitution</b>	The constitution of the Company as amended from time to time.
<b>Conversion</b>	in relation to a CRPS, the taking effect of the rights specified in clauses 3.1, 5 and 6.4 in relation to that CRPS and <b>Convert</b> and <b>Converted</b> have corresponding meanings.
<b>Conversion Date</b>	the Automatic Conversion Date or the New Conversion Date, as applicable.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).

## Explanatory Memorandum

<b>CRPS</b>	The convertible redeemable preference shares known as “CRPS” issued on the terms set out in these Terms or, where the context requires, each convertible redeemable preference share.
<b>CRPS Holder</b>	Each person registered in the Register from time to time as a holder of CRPS.
<b>Directors</b>	The board of directors of the Company.
<b>Distribution</b>	The distribution in specie whether by way of dividend or return of capital of the CRPS to holders of common shares in the Original CRPS Holder, pursuant to the Distribution Resolution.
<b>Distribution Recipient</b>	A recipient of CRPS distributed as part of the Distribution.
<b>Distribution Resolution</b>	A resolution passed at a meeting of common shareholders of the Original CRPS Holder authorising the Distribution pursuant to the <i>Business Corporations Act</i> (Ontario) and any other applicable laws.
<b>Face Value</b>	\$0.0000001 per CRPS.
<b>MESPA Share Transfer Completion</b>	Completion of the transfer of all of the issued and outstanding shares of Minas de Estaño de España, S.L.U, a company incorporated pursuant to the laws of Spain ( <b>MESPA Shares</b> ) from Eurotin Inc. (or a subsidiary of Eurotin Inc.) to the Company (or a wholly owned subsidiary of the Company) in accordance with the terms of the arrangement agreement entered by the Company and Eurotin Inc., a corporation incorporated under the laws of the Province Ontario, Canada on 19 October 2018
<b>New Conversion Date</b>	has the meaning given to that term in clause 6.4.
<b>Original CRPS Holder</b>	Eurotin Inc. - a corporation incorporated under the laws of the Province of Ontario, Canada, of 77 King St. West, Suite700, P.O. Box 118, Toronto, Ontario, M5K 1G8
<b>Oropesa Tin Project</b>	Oropesa Investigation Permit number 13.050 and all the resulting rights from that Investigation Permit, including, without limitation, the exploitation concession already applied for by MESPA, being the Oropesa tin project located in Spain
<b>Redeem</b>	in relation to a CRPS, redeem, buy-back (other than an on-market buy-back within the meaning of the Corporations Act) or reduce capital, or any combination of such activities, in connection with that CRPS in accordance with clause 7, and <b>Redeemed</b> , <b>Redeemable</b> and <b>Redemption</b> have the corresponding meanings.
<b>Redemption Date</b>	10 business days after the Company issues a Redemption Notice.
<b>Redemption Notice</b>	A notice given by the Company to a CRPS Holder in a form determined by the Company, of its intention to Redeem the CRPS in accordance with clause 7.

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## Explanatory Memorandum

<b>Regional Mining Authority</b>	Delegación Territorial de Córdoba de la Dirección General de Industria, Energía y Minas de la Consejería de Empleo, Empresa y Comercio de la Junta de Andalucía ( <i>Representation in the province of Córdoba of the General Directorate of Industry, Energy and Mining of the Employment, Business and Commerce Department of the Government of the Region of Andalucía</i> ).
<b>Regional Mining Authority Approval</b>	written confirmation provided by the Regional Mining Authority to MESPA and the Company (or a wholly owned subsidiary of the Company) approving the transfer of the beneficial ownership of the Oropesa Tin Project from Eurotin Inc. to the Company (or a wholly owned subsidiary of the Company).
<b>Redemption Period</b>	The period commencing on the Condition Failure Event happening and ending 20 Business Days thereafter.
<b>Register</b>	The register of CRPS maintained by the Company and includes any sub-register of that register.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Terms</b>	The terms and conditions for the issue of CRPS in the Company as these terms and conditions are amended, supplemented or replaced from time to time and as set out herein.

## 2. CRPS

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### 2.1 CRPS

The CRPS are fully paid redeemable convertible preference shares in the capital of the Company (**CRPS**). They are issued, and may be Redeemed or Converted according to these Terms.

### 2.2 Face Value

Each CRPS will be issued fully paid at the Face Value.

## 3. Automatic Conversion

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### 3.1 Automatic Conversion

Subject to clause 6.4, each CRPS will be Converted on the Automatic Conversion Date in accordance with clause 5 (**Automatic Conversion**) unless the CRPS has been previously Redeemed.

### 3.2 No other Conversion

The Company does not have the right to Convert the CRPS other than in the circumstances listed in clause 3.1.

## 4. No Holder conversion right

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### 4.1 No conversion right

Save as provided for in these Conditions, no CRPS Holder has a right to Convert CRPS.

## Explanatory Memorandum

### 5. Conversion

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#### 5.1 Conversion number

In the event of a Conversion all CRPS will convert into Shares on the basis of one Share for each CRPS.

#### 5.2 Rights on Conversion

A CRPS, upon Conversion, confers all of the rights attaching to one Share but these rights do not take effect until 5.00pm (Brisbane time) on the Conversion Date. At that time:

- (a) all other rights conferred or restrictions imposed on that CRPS under these Terms will no longer have effect; and
- (b) the Share resulting from the Conversion will rank equally with all other Shares.

#### 5.3 Effect of Conversion

Conversion does not constitute a redemption, buy-back, cancellation or termination of CRPS or an issue, allotment or creation of a new Share.

#### 5.4 Statement

Upon Conversion the Company shall provide the CRPS Holder with a certificate or statement of holding for the Shares the subject of a Conversion.

### 6. Quotation of Shares

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#### 6.1 Rank equally

- (a) Each Share arising from Conversion will rank pari passu with all other fully paid Shares, except that such Shares arising from Conversion will not be entitled to any dividend or any other distribution or entitlement that has been declared or determined but not paid as at the Conversion Date.
- (b) Within two (2) business days of the Automatic Conversion, the Company must apply for official quotation on ASX of the Shares arising from Conversion.

#### 6.2 Cleansing Notice

On the Automatic Conversion Date, subject to clause 6.3, the Company must provide to ASX a notice complying with sections 708A(5)(e) and 708A(6) of the Corporations Act (**Cleansing Notice**)

#### 6.3 Cleansing Prospectus

If on the Automatic Conversion Date the Company would be unable to provide to ASX a Cleansing Notice in respect of a Conversion because it is unable to comply with the requirements of sections 708A(5)(e) and 708A(6) of the Corporations Act (including where trading in the Shares on ASX was suspended for more than a total of five days in the preceding 12 month period) or for any other reason is unable to provide to ASX a Cleansing Notice for the purposes of clause 6.2, the Company must within 10 Business Days after the Automatic Conversion Date lodge with ASIC a prospectus complying with section 708A(11) of the Corporations Act (**Cleansing Prospectus**).

## Explanatory Memorandum

### 6.4 Adjustment of Conversion Date

If the Company is under an obligation to lodge a Cleansing Prospectus, and the Automatic Conversion Date would occur prior to actual lodgement of the Cleansing Prospectus then the Conversion of the CRPS will not occur until the date on which the Company has complied with its obligations under clause 6.3 (for the purposes of this clause 6.4, the **New Conversion Date**) and each CRPS will be Converted on the New Conversion Date in accordance with clause 5 unless the CRPS has been previously Redeemed.

### 6.5 Uncertificated

Shares arising from Conversion will be issued in uncertificated form through CHESSE.

### 6.6 Statements

Statements of holdings for Shares arising from Conversion will be dispatched by the Company by mail free of charge as soon as practicable but in any event within 10 Business Days after the relevant Conversion Date.

## 7. Redemption

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### 7.1 Redemption mechanics to apply to Redemption

The Company may Redeem CRPS during the Redemption Period by:

- (a) giving a Redemption Notice to CRPS Holders; and
- (b) paying to the CRPS Holders on the Redemption Date the Face Value of each CRPS the subject of the Redemption Notice,

(Redemption Amount).

### 7.2 Redemption restrictions

The Company may not Redeem any CRPS unless, at the same time, it redeems all CRPS.

### 7.3 Obligation on Company to Redeem

Upon giving a Redemption Notice, the Company will be obliged to redeem the relevant number of CRPS by making the payment referred to in clause 7.1(b) on the Redemption Date.

### 7.4 Effect of Redemption on CRPS Holders

On the Redemption Date, subject to Redemption occurring, the only right CRPS Holders will have in respect of CRPS the subject of the Redemption will be to obtain the Redemption Amount payable in accordance with these Terms and upon payment of the Redemption Amount, all other rights conferred, or restrictions imposed by the relevant CRPS will no longer have effect.

### 7.5 Redemption by buy-back of CRPS

If the Redemption involves a buy-back of CRPS:

- (a) the Redemption Notice constitutes a buy-back offer for the Redemption Amount payable on the relevant Redemption Date; and



## Explanatory Memorandum

- (b) the CRPS Holders must accept the buy-back offer for their CRPS and will be deemed to have accepted that buy-back offer for CRPS held by that CRPS Holder to which the Redemption Notice relates on the date the Redemption Notice is given and will be deemed to have sold those CRPS to the Company free of all encumbrances on the Redemption Date.

### 7.6 Cancellation of CRPS

CRPS the subject of Redemption will be cancelled and may not be re-issued.

## 8. General CRPS Terms

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### 8.1 Register

The Company shall maintain the Register.

### 8.2 General Rights

- (a) CRPS rank equally amongst themselves in all respects.
- (b) The CRPS shall have no entitlement to payment of dividends.
- (c) Until Conversion, if there is a return of capital on a winding up of the Company, CRPS Holders will be entitled to receive out of the assets of the Company available for distribution to holders of CRPS, in respect of each CRPS held, a cash payment equal to the Face Value before any return of capital is made to holders of Shares or any other class of shares ranking behind the CRPS.
- (d) CRPS do not confer on their holders any right to participate in profits or property except as set out in these Terms or in the Constitution.
- (e) If, upon a return of capital, there are insufficient funds to pay in full the amounts referred to above and the amounts payable in respect of any other shares in the Company ranking as to such distribution equally with the CRPS on a winding up of the Company, the CRPS Holders and the holders of any such other shares will share in any distribution of assets of the Company in proportion to the amounts to which they respectively are entitled.
- (f) Until Conversion, the CRPS do not confer on the CRPS Holders any further right to participate in the surplus assets of the Company on a winding up then those set out in these Terms.
- (g) Until all CRPS have been converted, the Company must not, without approval of the CRPS Holders, issue shares ranking in priority to the CRPS or permit the variation of any rights of any existing shares to shares ranking equally or in priority to the CRPS, but the Directors are at all times authorised to issue further CRPS ranking equally with any existing CRPS.
- (h) If a takeover bid is made for ordinary shares, acceptance of which is recommended by the Directors, or the Directors recommend a member's scheme of arrangement, the Directors will use reasonable endeavours to procure that equivalent takeover offers are made to the CRPS Holder or that they participate in an equivalent scheme of arrangement.
- (i) Until conversion, the CRPS confer no rights to subscribe for new securities in the Company or to participate in any bonus issues.

## Explanatory Memorandum

- (j) A CRPS does not entitle a CRPS Holder to vote at any general meeting of the Company except in the following circumstances:
- (1) on a proposal:
    - (a) to reduce the share capital of the Company;
    - (b) that affects rights attached to the CRPS;
    - (c) to wind up the Company; or
    - (d) for the disposal of the whole of the property, business and undertaking of the Company;
  - (2) on a resolution to approve the terms of a buy back agreement; or
  - (3) on a resolution during the winding up of the Company.
- (k) A Holder will have the same rights as the holders of Shares with respect to receiving notices at general meetings and financial reports and attending the Company's general meetings.
- (l) Subject to complying with all applicable laws, the Company may, without the authority, assent or approval of the CRPS Holders, amend or add to these terms of issue if such amendment or addition is, in the opinion of the Company:
- (1) of a formal, minor or technical nature;
  - (2) made to correct a manifest error; or
  - (3) not likely (taken as a whole and in conjunction with all other modifications, if any, to be made contemporaneously with that modification) to be materially prejudicial to the interests of the CRPS Holders.
- (m) Each CRPS shall be non-transferable unless the prior written consent of the Company has been provided to such transfer in which case the CRPS Holder may transfer such CRPS to the recipient as consented to by the Company, except that the CRPS Holder may transfer the CRPS to the Distribution Recipients,.
- (n) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company the number of CRPS will be reorganised:
- (1) *in a consolidation of capital:* the number of CRPS will be consolidated in the same ratio as the ordinary capital; or
  - (2) *in a sub-division of capital:* the number of CRPS will be sub-divided in the same ration as the ordinary capital; or
  - (3) *in a return of capital:* the number of CRPS will remain the same; or
  - (4) *in a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled:* the number of CRPS will remain unaltered; or
  - (5) *in a pro-rata cancellation of capital:* the number of CRPS must be reduced in the same ratio as the ordinary capital; or

## Explanatory Memorandum

- (6) *in any other case: the number of CRPS must be reorganised so that the holder of the CRPS will not receive a benefit that holders of ordinary securities do not receive; and*
- (7) *subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders of the Company approving a reorganisation of the Company's capital, in all other respects, the terms for the CRPS and their conversion to Shares will remain unchanged.*

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# Explanatory Memorandum

## Annexure D

### Convertible Debenture Terms

The following is a summary of the key terms of the Debenture:

1. the Debenture will be issued on Final Completion, as set out in the Loan Agreement;
2. The Parties to the Debenture are Mark Wellings, Mespa and the Company;
3. the Debenture will be issued with a face value of CAD\$1,000,000;
4. the Debenture will accrue interest at a rate for 5% per annum (non-compounding);
5. the Debenture is not transferable without the consent of each other party to the Debenture;
6. the Debenture will be governed by Queensland law;
7. with the prior written consent of the Company, the Debenture in whole or in part may be converted into Shares at the election of Mark Wellings, with a conversion price the higher of:
  - (a) AUD\$0.004 (**Floor Price**); or
  - (b) the volume weighted average price at which Shares have traded on the ASX for the 20 Trading Days prior to the relevant date;
8. Notwithstanding the foregoing, the Holder may issue a conversion notice without the Company's consent in the following circumstances:
  - (a) at any time following the Maturity Date for a period of 10 Business Days; and
  - (b) where the Company has elected to redeem the Debenture prior to the Maturity Date.
9. any conversion that would result in a breach of the takeover provisions is not permitted;
10. unless the Company agrees otherwise a conversion must be for at least \$250,000;
11. the maturity date of the Debenture is two years after its issue and the Company must repay any moneys owing pursuant to the Debenture within 20 business days of the maturity date;
12. the Company may redeem the Debenture at any time before its maturity date by giving Mark Wellings 10 business days' notice (and Mark Welling may elect to convert all or part of the Debenture at that time);
13. while the Debenture is on issue the Company covenants to preserve and maintain its listing on the ASX;
14. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the Debenture will be reorganised:
    - (1) in a consolidation of capital: the Floor Price will be multiplied by the inverse proportion of the consolidation ratio; or

## Explanatory Memorandum

- (2) in a sub-division of capital: the Floor Price will be sub-divided in the same ratio as the ordinary capital; or
- (3) in a return of capital: the number of shares to be issued on conversion after the reorganisation and the Floor Price will remain the same; or
- (4) in a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled: the number of shares to be issued on conversion after the reorganisation and the Floor Price will remain unaltered; or
- (5) in a pro-rata cancellation of capital: the Floor Price must be multiplied by the cancellation ratio; or
- (6) in any other case: the number of shares to be issued on conversion after the reorganisation must be reorganised so that the Holder will not receive a benefit that holders of ordinary securities do not receive; and
- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders of the Company approving a reorganisation of the Corporation's capital, in all other respects, the number of shares to be issued on conversion after the reorganisation will remain unchanged.
15. each party to the Debenture will be responsible for their own costs and expenses;
16. the Company may set off against the Debenture any claim it has against the holder of the Debenture for a breach of indemnity, representation or warranty given by Mark Wellings under the Arrangement Agreement; and
17. except as required by the Corporations Act, the Debenture will carry no right to vote at meeting of the Company, and will not entitle the holder of the Debenture to participate in future issues of securities by, or dividends of, the Company prior to any conversion of the Debenture into Shares.

# Explanatory Memorandum

## Annexure E

### Lions Bay Option Terms

1. The Options shall be issued for no cash consideration;
2. The exercise price of each Option is \$0.007 (**Exercise Price**).
3. The Options will expire on 30 June 2020 (**Expiry Date**) unless earlier exercised.
4. The Options are transferable.
5. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
6. The number of Options that may be exercised at one time must be not less than 5,000,000, unless the Option holder holds less than 5,000,000 in which case all Options must be exercised at one time.
7. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares.
8. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
9. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
11. If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new exercise price of the Option;  
 $O$  = the old exercise price of the Option;  
 $E$  = the number of underlying securities into which one Option is exercisable;

## Explanatory Memorandum

- P = the volume weighted average market price per security of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

12. If there is a bonus issue to the holders of shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
13. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
14. The Company does not intend to apply for listing of the Options on the ASX.
15. The Company shall apply for listing of the resultant Shares of the Company issued upon exercise of any Option.

# Proxy, Representative and Voting Entitlement Instructions

## Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a Shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the Corporations Act.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act. The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below**, not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

<b>ONLINE</b> <a href="https://www.votingonline.com.au/elementosagm2018">https://www.votingonline.com.au/elementosagm2018</a>	<b>BY FAX</b> +61 2 9290 9655
<b>BY MAIL</b> Elementos Limited C/- Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia	<b>ALL ENQUIRIES TO</b> Telephone: +61 1300 737 760 (within Australia) +61 2 9290 8600 (outside Australia)

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

## Voting entitlement

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7.00pm (AEDT) on 28 November 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## Signing instructions

You must sign the proxy form as follows in the spaces provided:

<b>Individual:</b>	Where the holding is in one name, the holder must sign.
<b>Joint Holding:</b>	Where the holding is in more than one name, all of the security holders should sign.
<b>Power of Attorney:</b>	To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
<b>Companies:</b>	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.



**All Correspondence to:**

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

**YOUR VOTE IS IMPORTANT**

For your vote to be effective it must be recorded **before 10:00am (Brisbane time) on Wednesday 28 November 2018.**

**TO VOTE ONLINE**

**BY SMARTPHONE**

- STEP 1: VISIT** <https://www.votingonline.com.au/elementosagm2018>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**



Scan QR Code using smartphone  
QR Reader App

**TO VOTE BY COMPLETING THE PROXY FORM**

**STEP 1 APPOINTMENT OF PROXY**

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

**Appointment of a Second Proxy**

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

**STEP 2 VOTING DIRECTIONS TO YOUR PROXY**

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

**Proxy which is a Body Corporate**

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

**STEP 3 SIGN THE FORM**

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

**STEP 4 LODGEMENT**

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (Brisbane time) on Wednesday 28 November 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxy forms may be lodged using the enclosed Reply Paid Envelope or:**

- 💻 **Online** <https://www.votingonline.com.au/elementosagm2018>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

**Attending the Meeting**

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Elementos Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Level 7, 1 Eagle Street, Brisbane QLD 4000 on Friday, 30 November 2018 at 10.00am (Brisbane time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1,3 and 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1,3 and 4 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1,3 and 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Corey Nolan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Employee Share and Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Previous Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Previous Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Convertible Redeemable Preference Shares and Debenture – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Convertible Redeemable Preference Shares – Section 254A(2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to Issue an Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018