

ASX ANNOUNCEMENT

24 December 2019

Transfer of MESPA shares completed for acquisition of the Oropesa Tin Project

Highlights:

- Elementos has received all shares in MESPA under the Arrangement Agreement (under which Elementos Limited is to acquire the Oropesa Tin Project);
- On receipt of approval or acknowledgement from the Spanish Regional Mining Authority the CRPS will convert to ordinary shares in Elementos Limited and the acquisition of the Oropesa Project will be completed.

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce the Arrangement Agreement signed with Eurotin Inc. (**TIN**) for the acquisition of the Oropesa Project, the Company has now received all shares in Minas De Estano De Espana S.L.U. (**MESPA**).

MESPA, previously a wholly owned subsidiary of Eurotin, is the holder of the Oropesa Project.

The parties have agreed a condition to the transfer of the MESPA shares to Elementos is approval or acknowledgement of the transfer from the Spanish Regional Mining Authority. It is anticipated this will be received early in the new year.

One Billion convertible redeemable preference shares (**CRPS**) were previously issued by Elementos to Eurotin as consideration for the acquisition and distributed to the Eurotin shareholders. These convertible redeemable preference shares will convert to ordinary Elementos shares in accordance with their terms following receipt of the approval or acknowledgement of the transfer from the Spanish Regional Mining Authority.

As part of finalisation of the transfer of the MESPA shares, Elementos has agreed to waive the requirement for the SPIB Deed to be entered as a condition of final completion. This is on the basis that Mark Wellings (Eurotin Chairman) has agreed to personally indemnify the Company in respect of the arrangements with Spanish Company SPIB for a period of 2 years up to a maximum amount of CAD\$500,000 with sole recourse for which is a set off against obligations under the Loan Agreement and Convertible Debenture with Mark Wellings. Please refer to the announcement of 22 October 2018 for further details regarding the arrangements with SPIB (which remain unchanged from that previously disclosed) and the proposed SPIB Deed as well as the terms of the Loan Agreement and Convertible Debenture with Mark Wellings.

The acquisition of Oropesa represents an excellent opportunity to create value-uplift potential for shareholders as the project is advanced towards development.

The Company will provide a full corporate and strategy update early in the new year when final completion is achieved.

For personal use only

By order of the board of Elementos Limited.

For more information, please contact:

Duncan Cornish

Company Secretary

Phone: +61 7 3212 6299

Email: admin@elementos.com

Please visit us at: www.elementos.com.au

CAUTIONARY STATEMENTS

Forward-looking statements

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

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

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.