ELEMENTOS LIMITED

ABN 49 138 468 756

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

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Contents

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.

Mineral Resources and Ore Reserves

Elementos confirms that Mineral Resource and Ore Reserve estimates, Exploration Targets and results of Metallurgical Test Work programs used in this document were estimated, reported and reviewed in accordance with the guidelines of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 edition.

Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. Economic, environmental, permitting, legal, title taxation, socio-political, marketing or other relevant issues may materially affect the estimate of Mineral Resources.

Elementos confirms that it is not aware of any new information or data that materially affects the Mineral Resource or Ore Reserve information, Exploration Targets or Metallurgical Test Work information included in the following announcements:

*1 - "Acquisition of the Oropesa Tin Project" released on the 31st July 2018;

*2 – "Substantial Increase in Cleveland Open Pit Project Resources following revised JORC study" released 26th September 2018

*3 - "Oropesa Exploration Target released 1st February 2019"

*4 - ASX announcement "Ore Sorting Performance Testing – Positive Results at Oropesa" dated 7th August 2019

The Company also confirms that all material assumptions and technical parameters underpinning the estimates in the Cleveland Mineral Resources and Reserves and the Oropesa Mineral Resources continue to apply and have not materially changed. Elementos also confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the date of announcement.

Corporate Information

Directors and Company Secretary
Mr Andy Greig (Non-executive Chairman)
Mr Christopher Dunks (Executive Director)
Mr Calvin Treacy (Non-executive Director)
Mr Corey Nolan (Non-executive Director, Chairman of the Audit and Risk Committee)
Mr Duncan Cornish (Company Secretary)

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Review of Operations

The Company's strategy is to create sustainable shareholder value through the development of a portfolio of tin assets. The Company implemented its new corporate strategy to create a robust portfolio of tin assets, at various stages of development, through the acquisition of the Oropesa tin project in Spain. The Company believes Oropesa is one of the best undeveloped tin resources in the Western World. Attractions include, a large JORC Mineral Resource based on more than 54,000 metres of drilling, open-cut mining potential, simple metallurgy and processing, access to development infrastructure, support from local stakeholders and in a secure mining jurisdiction. A Mining Lease application and Environmental Impact Study has been lodged with the regulatory authorities and are currently undergoing review.

Excellent progress was made at Cleveland with a new JORC resource estimate being reported, potentially paving the way to move towards the development of a small-scale open cut and tailings retreatment processing facility. Further metallurgical testing is planned to examine opportunities for enhancing the project economics.

The fundamentals for the global tin industry remain robust, and this has translated into steady LME tin pricing of between US$18,400 and US$21,900 per tonne during the reporting period. The price outlook remains robust with tin playing an important role in the strongly growing energy storage, electric vehicle and tin chemicals industries. New global supply is constrained by the lack of new high-quality development projects.

It's an exciting time to be a Shareholder of Elementos. The Oropesa Tin Project in Spain provides a solid platform from which the Company can move from explorer to producer, with additional production potential from the Cleveland Project in Tasmania. The company's project portfolio places it well to meet the future increasing global demand for tin.

OROPESA TIN PROJECT - SPAIN

The Company announced on the 31st July 2018 the acquisition of 100% of the Oropesa Tin Project in Spain from Eurotin Inc.(TSX-V: TIN) (Eurotin). The acquisition to occur by way of a plan of arrangement under Canadian laws which provides for Eurotin Inc.(TSX-V: TIN) (Eurotin) to transfer to Elementos 100% of the shares currently on issue in Minas De Estaño De España S.L.U.(MESPA), a wholly owned subsidiary of Eurotin and the holder of the Oropesa Tin Project (Oropesa). Interim Completion of the Arrangement Agreement was announced on the 4th January 2019.

At Interim Completion the Company issued to Eurotin 1,000,000,000 convertible redeemable preference shares (CRPS) which were distributed to Eurotin shareholders.

Following Interim Completion of the Arrangement Agreement, the Company submitted to the Junta de Andalucia (Spanish Regional Mining Authority) in January 2019 all the relevant documentation required to authorise the transfer to Elementos of all the shares in MESPA. Final authorisation of the transfer of the shares was still pending at the time of writing this report.

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

- **Large, well-defined resource** - A globally significant, undeveloped resource with strong opportunities for resource expansion;
- **Open-cut mining potential** –The deposit is amendable to simple drill and blast, truck and shovel open cut mining operations;
- **Simple metallurgy** - extensive metallurgical testing and process flowsheet designed to produce a 62.4% tin concentrate at a 74.2% metallurgical recovery;
- **Near-term production potential** – A Definitive Feasibility Study has commenced;

Review of Operations

- **Permitting process advanced** – A base-line Environmental Impact Assessment was lodged with the Junta de Andalucia (government) in January 2018 and a Mining Licence application has been submitted to the Junta for approval;
- **Located close to development infrastructure** - Located close to major highways which link to export ports, water supply and power supply. The region has a skilled mining workforce;
- **Low sovereign risk** - The Andalucia region of Spain is home to some of the country's most significant mining operations and part of the European Union which provides a safe investment environment;
- **Large sunk cost** – significant investment in drilling, geophysics, metallurgical testing and development studies; and
- **Local community support** - The local government and community is extremely supportive of the project moving ahead.

Oropesa consists of a 14.51 square kilometre concession package located approximately 75 kilometres north-west of Cordoba and 180 kilometres north-east of Seville, in the region of Andalucía, in southern Spain. The Oropesa district has historically been a mining district for base metals with coal mining ceasing in recent times.

Tin mineralisation was first recognised at Oropesa in 1982. Intensive exploration activity since 2010, including 261 drill holes, has resulted in the definition of the current mineral resource. The project area contains numerous geophysical and geochemically anomalous regions that could potentially extend this resource with additional exploration.

Figure 2. Oropesa Tin Project Location Plan

The tin mineralisation (cassiterite with minor stannite) occurs as a replacement style orebody associated with sulphides, predominantly pyrite and pyrrhotite within a sedimentary sequence at the contact between sandstone and conglomerate units. Widespread folding of the sedimentary sequence has resulted in the mineralised sequence being overturned and repeated in places.

The Oropesa tin project contains a JORC compliant Measured, Indicated and Inferred Resource of 67,520 tonnes of tin.

Oropesa Global Mineral Resource Estimate (0.15% Sn cut-off grade)			
Category	Tonnes	Grades % Sn	Contained Tin (tonnes)
Measured	330,000	1.09	3,585
Indicated	9,010,000	0.53	47,320
Total M & I	9,340,000	0.55	50,905
Inferred	3,200,000	0.52	16,615

Table 2. Oropesa JORC Mineral Resources[*1]*

The Company is actively advancing the Oropesa Tin Project towards development. This includes optimising the scale of the project development to maximise project value and create a manageable and fundable project development budget. This will include a re-designed open-cut mining operation that will be targeted towards reducing the overall footprint of the operation with a positive impact on the timing and completion of rehabilitation activities over the life of the operation. A summary of the objectives of the revised mine plan is shown below:

Review of Operations

- A reduction in the footprint of the open cut and waste rock activities during operations;
- Progressive and earlier final rehabilitation of the open cut void and waste rock dumps;
- A reduction in the footprint of the processing plant;
- Potential for co-disposal of clean tailings – resulting in a greatly reduced volume and footprint of the tailings dam and more efficient final rehabilitation;
- Lower power and water consumption during processing; and
- More effective utilisation of the current resource.

The Company has been progressing the Environmental Approvals and Mining Lease (Exploitation Licence) application process through discussions with representatives of the Andalucian Government. The Mining Lease application was lodged in October 2017 and the Environmental Impact Study (EIS) was lodged in February 2018. The plan to re-design the proposed open-cut mining operation will have an impact on the EIS and as such a decision has been made to revise the original EIS to better align with the Company's newly proposed mining operation.

The Company has successfully completed an ore sorting pre-concentration performance test on a bulk sample of ore from Oropesa by TOMRA Sorting Solutions-Mining (TOMRA) engineers based in Hamburg, Germany. The tests were carried out to establish whether TOMRA products are capable of sorting tin ore from waste material. The large sample size (three one tonne samples) permitted the TOMRA engineers to test the material using the COM Tertiary XRT, a full-scale sorting system.

Results from TOMRA test program indicated that with a total tin recovery of 92% there would be an overall reduction in feed mass to a processing plant of 25% with an increase in processing plant feed grade of 24%. Higher recoveries can be expected with an increased sensitivity settings on the XRT ore sorter.

The TOMRA results indicate that ore sorting could provide the following significant benefits to the proposed development of Oropesa;

- Reduced feed to the processing plant
- Higher feed grade to the processing plant
- Improved tin recoveries from the processing plant
- Lower process plant capital and operating costs
- Smaller tailings dam
- Greater opportunities to optimise the overall mine plan and improve project economics

The Company has defined an Exploration Target* for the Oropesa Tin Project in Spain of between 35.5mt and 51.0mt at a grade ranging between 0.46% to 0.62% tin. The Oropesa JORC resource is defined geophysically by an Induced Polarisation (IP) chargeability anomaly identified in an IP survey carried out in 2011. The Oropesa Project area contains a number of parallel IP anomalies, of which only the central IP anomaly has undergone intensive diamond drilling. Detailed drilling of the central IP anomaly has provided sufficient data to build a geological model on which the current Oropesa resource is based, but also provides sufficient data to be able to assess the potential of the Oropesa Project to host additional tin resources.

Oropesa Exploration Target (0.15% Sn cut-off grade)		
Range	**Tonnes**	**Grade % Sn**
Upper	51,000,000	0.62
Lower	35,500,000	0.46

Table 3. Oropesa Exploration Target[3]*

Review of Operations

* The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

CLEVELAND PROJECT – TASMANIA

The Cleveland Project is located at Luina approximately 80 kilometres from Burnie in north-western Tasmania. The tin province in northwest Tasmania hosts some of the world's highest grade and most productive tin mines, including Renison Bell, Mt. Bischoff and Cleveland. The region has well-developed infrastructure and a strong mining culture. The site is linked to Burnie Port by sealed roads. Accessible power runs through the Cleveland exploration licence area.

Cleveland hosts tin and copper mineralisation in tailings, open cut and underground Mineral Resources, and includes a separate tungsten Mineral Resource. The Company has completed a number of studies assessing the potential of developing these resources.

In 2018 the Company completed an update to the JORC Resource Estimate for hard rock resources for the Cleveland tin-copper and tungsten projects in Tasmania. The total contained tin within the revised 2018 JORC Resource Estimate increased by 15.8% and contained copper increased by 20.0%. There has been no change to the existing 2015 estimate for the tailings resource at Cleveland. The results for the 2018 hard rock resource estimate are reported in accordance with the JORC Code (2012). The significant upgrade in the revised JORC Resource Estimate for the Cleveland Project can be viewed in Table 1.

Figure 1. Cleveland Project Location Plan

The review was undertaken following the completion of a diamond drilling exploration programme at Cleveland that was specifically targeting extensions and limits to the potential open pit resources. The 2018 open pit resource contained tin estimate has increased by 168% from the previous estimate announced in 2015. The open pit resource potential has been assessed to a depth of 150m from surface with pit boundaries positioned with no impact on existing natural water courses and minimal interference with any future underground re-development.

The mineral resource upgrade resulted from modelling near surface ore lenses that were not included in the previous resource estimate, extensions to near surface resources resulting from the results of the diamond drilling programme and reducing the dilution along the margins of the ore lenses. The Cleveland ore body remains open at depth, along strike and down dip from the currently defined ore lenses.

The Cleveland Project is continuing to be steadily progressed towards development with the next phases of work including completion of a metallurgical test work programme on hard rock samples (last carried out in 1986), the assessment of the potential for a larger initial open pit operation, the design and location of a new tailings storage facility and detailed financial modelling of a 'life of mine' combined open pit – tailings – underground operation as a preclude to commencing a detaied feasibility study.

Review of Operations

Open Pit Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)

NOTE: this Open Pit Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted below

Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	1.73 Mt	0.93%	16,100t	0.33%	5,700t
Inferred	0.16 Mt	1.18%	1,900t	0.49%	800t

Table subject to rounding errors; Sn = tin, Cu = copper

Underground Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)

NOTE: this Underground Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted below

Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	4.50 Mt	0.68%	30,600t	0.29%	13,000t
Inferred	1.08 Mt	0.70%	7,500t	0.25%	2,700t

Table subject to rounding errors; Sn = tin, Cu = copper

Total Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)

Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	6.23 Mt	0.75%	46,700t	0.30%	18,700t
Inferred	1.24 Mt	0.76%	9,400t	0.28%	3,500t

Table subject to rounding errors; Sn = tin, Cu = copper

Tailings Ore Reserve - September 2018 (at 0% Sn cut-off)

Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Probable	3.7 Mt	0.29%	11,000t	0.13%	5,000t

Table subject to rounding errors; Sn = tin, Cu = copper

**1 - This information was prepared and first disclosed in 2015 under the JORC Code 2012. It has not been updated since on the basis that the information has not materially changed since it was last reported.*

Table subject to rounding errors; Sn = tin, Cu = copper

Underground Tungsten Mineral Resource - September 2018 (at 0.20% WO_3 cut-off)

Category	Tonnage	WO_3 Grade
Inferred	4 Mt	0.30%

**2-This information was prepared and first disclosed in 2014 under the JORC Code 2012. It has not been updated since on the basis that the information has not materially*

Table subject to rounding errors; WO_3 = tungsten oxide

*Table 1. Cleveland Mineral Resources and Ore Reserves*²*

TEMENGOR TIN PROJECT – MALAYSIA

On the 9th July 2019 the Company was notified by its partner, Ipoh-based Empire Tin Mining Sdn Bhd, that the Perak State Government had determined that a moratorium is to be put in place on the granting of any Exploration Licence applications for potential mining projects in the State for the foreseeable future. This outcome is the result of the Government's concerns that natural environmental conditions in the waterways located in the northern region of the State of Perak are not being managed. The existing waterway conditions that are of concern to the Perak Government are not located near nor associated with the Temengor Project area. The Government has advised that it requires time to formulate suitable remediation and monitoring measures that will provide a managed solution to the problem moving forward.

The decision by the Perak State Government to apply a moratorium on all new exploration licences in the northern region of the state applies to all applicants. No schedule has been advised for when this situation may revert. The Company is currently assessing if there are any alternative options to move the project forward.

Interests in Tenements
(and Annual Mineral Resources and Ore Reserves Statement)

Elementos Limited held the following interests in tenements as at the date of this report:

Tenement Name	Tenement Number	Area (Hectares)	Elementos Interest	Location of Tenements
Cleveland	EL7/2005	5,993	100%	Tasmania

The Company has entered into an agreement to acquire the Oropesa Tin Project from Eurotin Inc. For details of the transaction and Mineral Resources relating to the project refer to the Review of Operations.

A summary of the Group's annual review of its ore reserves and mineral resources of its Cleveland project located in Tasmania at 30 June 2019 compared to 30 June 2018 is set out below. For details regarding any movement in the Reserve or Resource between the reporting period refer to the Review of Operations.

Open Pit Tin-Copper Mineral Resource (at 0.35% Sn cut-off) NOTE: this Open Pit Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted below					
30 June 2019					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	1.73 Mt	0.93%	16,100t	0.33%	5,700t
Inferred	0.16 Mt	1.18%	1,900t	0.49%	800t
30 June 2018					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	0.80 Mt	0.81%	6,500t	0.27%	2,300t
Inferred	0.01 Mt	0.99%	140t	0.34%	50t

Table subject to rounding errors; Sn = tin, Cu = copper

Underground Tin-Copper Mineral Resource (at 0.35% Sn cut-off) NOTE: this Underground Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted below					
30 June 2019					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	4.50 Mt	0.68%	30,600t	0.29%	13,000t
Inferred	1.08 Mt	0.70%	7,500t	0.25%	2,700t
30 June 2018					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	4.20 Mt	0.67%	28,140t	0.28%	11,760t
Inferred	2.43 Mt	0.56%	13,610t	0.19%	4,620t

Table subject to rounding errors; Sn = tin, Cu = copper

Interests in Tenements
(and Annual Mineral Resources and Ore Reserves Statement)

Total Tin-Copper Mineral Resource (at 0.35% Sn cut-off)					
30 June 2019					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	6.23 Mt	0.75%	46,700t	0.30%	18,700t
Inferred	1.24 Mt	0.76%	9,400t	0.28%	3,500t
30 June 2018					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	5.00 Mt	0.69%	34,500t	0.28%	14,000t
Inferred	2.40 Mt	0.56%	13,700t	0.19%	4,600t

Table subject to rounding errors; Sn = tin, Cu = copper

Underground Tungsten Mineral Resource (at 0.20% WO_3 cut-off) [1]		
30 June 2018 and 30 June 2019 – unchanged		
Category	Tonnage	WO_3 Grade
Inferred	4.00 Mt	0.30%

Table subject to rounding errors; WO_3 = tungsten oxide

Tailings Ore Reserve (at 0% Sn cut-off) [2]					
30 June 2018 and 30 June 2019 – unchanged					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Probable	3.70 Mt	0.29%	11,000t	0.13%	5,000t

Table subject to rounding errors; Sn = tin, Cu = copper

The Group regularly reviews its Mineral Resources and Reserves to assess their reasonableness, engaging suitably qualified competent person/s where required. A summary of the governance and controls applicable to the Group's Mineral Resources and Reserves processes is as follows:

- Review and validation of drilling and sampling methodology and data spacing, geological logging, data collection and storage, sampling and analytical quality control;
- Geological interpretation — review of known and interpreted structure, lithology and weathering controls;
- Estimation methodology — relevant to mineralisation style and proposed mining methodology;
- Comparison of estimation results with previous mineral resource models, and with results using alternate modelling methodologies;
- Visual validation of block model against raw composite data; and
- Peer review by senior company personnel and independent consultants as required.

[1] *This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

[2] *Announced per the JORC Code 2012 on 3 August 2015 "Cleveland Tailings Ore Reserve"*

Interests in Tenements (and Annual Mineral Resources and Ore Reserves Statement)

Competent Persons Statement:

The information in this report that relates to the Annual Mineral Resources and Ore Reserves Statement, Exploration Results and Exploration Targets is based on information and supporting documentation compiled by Mr Chris Creagh, who is a full-time employee of Elementos Ltd. Mr Creagh is a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and who consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Chris Creagh has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

The information in this report that relates to Processing and Metallurgy for the Oropesa Tin Project is based on and fairly represents information and supporting documentation compiled by Chris Creagh, who is a full-time employee of Elementos Ltd. Mr Creagh is a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and who consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Chris Creagh has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Directors' Report

The directors submit their report on the consolidated entity ("Group") consisting of Elementos Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2019.

Directors

The following persons were directors of Elementos Limited during the financial year and up to the date of this report, unless otherwise stated:

Mr Andy Greig
Mr Chris Dunks
Mr Corey Nolan
Mr Calvin Treacy

Information on Directors

The board has a strong combination of technical, managerial and capital markets experience. Expertise and experience includes operating and mineral exploration in Australia. The names and qualifications of the current directors are summarised as follows:

Andy Greig
Non- Executive Chairman

Mr Greig (GDipBus (Monash); Fellow, ATSE) recently retired from a 35-year career with Bechtel Group, Inc., the globally renowned engineering, construction and project management company. Mr Greig was a director of Bechtel Group, Inc., and for 13 years through 2014; the President of its Mining and Metals Global Business Unit.

Mr Greig has deep experience in the engineering and construction of large mining and minerals processing projects around the world. He is a business graduate of Monash University, and a Fellow of the Australian Academy of Technological Sciences and Engineering.

Mr Greig has not held any other (ASX listed) directorships in the last three years.

Chris Dunks
Executive Director

Mr Dunks (BEng (Mech), GAICD) is currently the Managing Director of Synergen Met Pty Ltd, a Brisbane-based company that is commercialising novel minerals processing technology.

Mr Dunks was a Founder and Managing Director of Rockwell Minerals Pty Ltd, the company that merged with Elementos in 2013, and negotiated the original deal to purchase the Cleveland Project. Mr Dunks' experience over the last 20 years has been dominated by working on major minerals processing, refining and power projects both in Australia and the USA.

Mr Dunks' experience has been in mechanical design, construction management and supervision, project controls, project management, contract negotiation, business development and new technology commercialisation. He has worked extensively with Bechtel, Worley Parsons, SNC Lavalin and Jacobs (Aker Kvaerner).

Mr Dunks was originally appointed as a Non-Executive Director of Elementos in November 2015. Following the resignation of the Company's CEO in July 2016, Mr Dunks continued the Company's permitting and partnering process in an Executive Director capacity.

Mr Dunks is a member of the Audit and Risk Committee.

Mr Dunks has not held any other (ASX listed) directorships in the last three years.

Directors' Report

Corey Nolan
Non-executive Director

Mr Nolan (BCom, MMEE, Graduate of AICD) has 20 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. He has held 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 Committee.

During the past three years, Mr Nolan has also served as a director of ASX listed companies Leyshon Resources Limited (February 2014 to August 2018) and Platina Resources Limited (August 2018 to current).

Calvin Treacy
Non-executive Director

Mr Treacy (BEng, MBA, MAICD) has over 20 years senior management experience in mining, mining technology and manufacturing. He has a strong track record of founding and growing companies, and brings a wealth of experience in the areas of strategic planning and capital raising.
Mr Treacy is a qualified Mechanical Engineer and holds a Masters of Business Administration, with extensive experience across a range of industries and positions.

Mr Treacy has worked in a range of roles including Non-executive Director, Chief Executive Officer, Chief Operating Officer and Production Manager, providing a blend of experience from hands-on management through to executive oversight and strategic management.

Mr Treacy is a member of the Audit and Risk Committee.

Mr Treacy has not held any other (ASX listed) directorships in the last three years.

Company Secretary

Duncan Cornish held the position of Company Secretary during the financial year and up to the date of this report. Mr Cornish is a Chartered Accountant with significant experience as public company CFO and Secretary, focused on junior resource companies, as well as financial, administration and governance.

Mr Cornish is an accomplished and highly efficient corporate administrator and manager. Duncan has more than 20 years' experience in the accountancy profession both in England and Australia, mainly with the accountancy firms Ernst & Young and PricewaterhouseCoopers.

He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities, and serves as corporate secretary and chief financial officer of several Australian and Canadian public companies.

Mr. Cornish holds a Bachelor of Business (Accounting) and is a member of the Chartered Accountants Australia and New Zealand.

Directors' Report

Interests in Securities

As at the date of this report, the interests of each director in shares and options issued by the Company are shown in the table below:

Directors	Shares	Options
A. Greig	300,887,439	-
C. Dunks	19,687,505	-
C. Nolan	4,737,486	-
C. Treacy	28,000,004	-

Principal Activities

The principal activity of the Group during the year was the acquisition of the Oropesa Tin Project from Eurotin Inc. The Group is also developing the Cleveland tin-copper-tungsten Project through a staged, low-capital development strategy, which minimises upfront capital, with cash flow funding future stages.

Operating Results

The Group's operating loss for the financial year, after applicable income tax was $1,957,377 (2018: $819,933).

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year.

Review of Operations

Information on the operations of the Group during the financial year and up to the date of this report is set out separately in the Annual Report under Review of Operations.

Review of Financial Condition

Capital Structure

At 30 June 2018, the Company had 1,332,012,910 ordinary shares, 11,000,000 unlisted (ESOP) options and 30,000,000 performance rights on issue.

On 4 July 2018, 5,318,052 unlisted options (exercisable at 0.60 cents per option expiring on 30 June 2018) were exercised in to 5,318,052 shares. An option exercise form, plus the required exercise funds for the options exercised, were received prior to 30 June 2018 (the expiry date of the options).

On 31 July 2018, 1,000,000 unlisted options exercisable at 1.165 cents each expired.

On 31 July 2018, the Company announced that it had received commitments to complete a private placement of 199,999,999 shares to be issued at 0.60 cents per share to raise a total of $1,200,000 (before costs). The transaction completed in two tranches as follows:

(a) On 26 October 2018 149,999,999 shares issued at 0.60 cents per share

(b) On 14 November 2018 50,000,000 shares issued at 0.60 cents per share

Directors' Report

As part of the Capital Raising activity on 31 July 2018 detailed above the Company announced that it had engaged Lions Bay Capital to arrange the placement and provide corporate advisory services in relation to the acquisition of the Oropesa project. As consideration Lions Bay Capital were issued 100,000,000 share options with an exercise price of 0.70 cents per share expiring 30 June 2020.

On 17 April 2019, 7,000,000 shares were issued to Chris Creagh, CEO on the exercise of vested performance rights.

At 30 June 2019, the Company had 1,544,330,961 ordinary shares, 11,000,000 unlisted (ESOP) options, 100,000,000 unlisted (other) options and 23,000,000 performance rights on issue.

On 31 July 2019, 10,000,000 unlisted options exercisable at 1.215 cents each expired.

As at the date of this report, the Company had 1,544,330,961 ordinary shares, 100,000,000 unlisted (other) options and 23,000,000 performance rights on issue.

Financial Position

At 30 June 2019, the Group's net assets totalled $5,656,160 (2018: $6,212,845) which included cash assets of $400,812 (2018: $936,562). The movement in net assets largely resulted from the following factors:

- Operating losses of $1,957,377; and
- Equity raisings totalling $1,227,255 (before costs) and receipt of ATO R&D refunds of $148,479 during the period were offset by cash outflows from operating activities ($1,563,826) and cash outflows on exploration and evaluation assets ($250,982).

Throughout the year the Group focussed on:

- progressing the acquisition of the Oropesa Tin Project; and
- exploring innovative ways of enhancing the value of the Oropesa Tin Project and Cleveland Project.

This focus resulted in sourcing additional equity funding to undertake the acquisition of the Oropesa Tin Project from Eurotin Inc. and the ongoing operating costs of the project following interim completion.

The Group's working capital, being current assets less current liabilities has decreased from $874,884 in 2018 to $212,825 in 2019, principally due to ongoing exploration expenditure and acquisition and operating costs of the Oropesa Tin Project.

Treasury policy

The Group does not have a formally established treasury function. The Board is responsible for managing the Group's finance facilities. The Group does not currently undertake hedging of any kind and is not directly exposed to material currency risks.

Liquidity and funding

Following the establishment of the loan facility, the Group has sufficient funds to finance its operations and exploration activities, and to allow the Group to take advantage of favourable business opportunities, not specifically budgeted for, or to fund unforeseen expenditure.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group in the financial year.

Directors' Report

Events After Reporting Date

- On 31 July 2019, 10,000,000 unlisted options exercisable at 1.215 cents each expired.
- On 7 August 2019, the Company announced to the ASX that it had received positive results in relation to the performance ore sorting test program completed by TOMRA Sorting Solutions Mining on the Oropesa Tin Project in Spain. For further details on the results see the review of operations.
- On 22 August 2019, the Company received $500,000 upon a drawdown of the loan facility with the Non-Executive chairman Mr Andy Greig, see Note 7 for further details of the terms of the loan facility.

Other than the events noted above, there are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental Issues

The Group is subject to significant environmental regulations under the laws of the Commonwealth of Australia and states of Australia in which the Group currently operates. Following the completion of the Oropesa Tin Project acquisition the Group will be subject to the environmental regulations of the Central Government of Spain, Cordoba Province of Andalucia, Fuente Obejuna municipality and to a lesser extent the European Union.

The directors monitor the Group's compliance with environmental obligations. The directors are not aware of any compliance breach arising during the year and up to the date of this report.

Native Title

Mining tenements that the Group currently holds, are subject to Native Title claims. The Group has a policy that is respectful of the Native Title rights and is continuing to negotiate with relevant indigenous bodies.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director and other key management personnel.

The names of key management personnel of Elementos Ltd who have held office during the financial year are:

Andy Greig	Director – Non-executive Chairman
Chris Dunks	Director – Executive
Corey Nolan	Director - Non-executive
Calvin Treacy	Director - Non-executive
Chris Creagh	Chief Executive Officer
Drew Speedy	Chief Financial Officer (appointed 1 April 2019)
Duncan Cornish	Chief Financial Officer (resigned 31 March 2019) and Company Secretary

Directors' Report

The Group's remuneration policy seeks to align director and executive objectives with those of shareholders and business, while at the same time, recognising the early development stage of the Group and the criticality of funds being utilised to achieve development objectives. The board believes the current policy has been appropriate and effective in achieving a balance of these objectives.

The Group's remuneration policy provides for long-term incentives to be offered through a director and employee share option plan and also through a performance rights plan. Options may be granted under these plans to align directors', executives', employees' and shareholders' interests. Two methods may be used to achieve this aim, the first being performance rights and options that vest upon reaching or exceeding specific predetermined objectives, and the second being options granted with higher exercise prices (than the share price at issue) rewarding share price growth.

The board of directors is responsible for determining and reviewing the Group's remuneration policy, remuneration levels and performance of both executive and non-executive directors. Independent external advice will be sought when required. No independent external advice was sought during the current year.

Performance-Based Remuneration

Performance-based remuneration includes both short-term and long-term incentives and is designed to reward key management personnel for reaching or exceeding specific objectives or as recognition for strong individual performance. Short-term incentives are available to eligible staff of the Group and may be comprised of cash bonuses, determined on a discretionary basis by the board. No short-term incentives were made available during the year.

Long-term incentives are comprised of share options and performance rights, which are granted from time-to-time to encourage sustained strong performance in the realisation of strategic outcomes and growth in shareholder value.

The exercise price of the options is determined after taking into account the underlying share price performance in the period leading up to the date of grant and if applicable, performance conditions attached to the share options. Subject to specific vesting conditions, each option is convertible into one ordinary share.

Chris Creagh (CEO) was issued with 30,000,000 Performance Rights for nil consideration on 9 February 2018, pursuant to Board approval and the shareholder approved Performance Rights Plan. Each Performance Right carries the right to one Elementos Limited ordinary share, subject to satisfaction of certain performance hurdles/vesting conditions. The performance period for the performance rights expires on 30 June 2020.

Performance Rights shall be divided into tranches of the amounts set out in Column 1, vesting on satisfaction of conditions set out in Column 2:

Column 1	Column 2
(1) 4,000,000[(a)]	On continuous employment with the Company until 31 March 2018
(2) 2,000,000	On successful completion of the Definitive Feasibility Study
(3) 3,000,000[(a)]	On continuous employment with the Company until 1 January 2019
(4) 3,000,000	On final approval of Environmental Permitting by any relevant authority
(5) 4,000,000	On completion of a capital raising (debt or equity, or a combination) sufficient to fund construction of a project and Elementos' corporate costs
(6) 4,000,000	On continuous employment with the Company until 1 January 2020

Directors' Report

(7)	10,000,000[b]	On the commissioning of a process plant that uses the low concentrate, roasting, leaching and electrowinning technology introduced to Elementos and reaching 80% of planned monthly production rate for a period of 3 months at any site operated by Elementos

[a] These 7,000,000 performance rights were exercised into fully paid ordinary shares on 17 April 2019.
[b] If the technology referred to in Tranche 7 is not implemented, Tranche 7 is subject to change by Elementos at its sole discretion.

If a vesting condition is satisfied after the Employee's employment ends, the Board may in its absolute discretion (acting reasonably) assess and rate the Employee's performance or contribution toward the satisfaction of a vesting condition ('Performance Rating') in which event the Performance Rights for that Tranche will convert in the limited proportion set out in the table below ('Determined Rights'), and otherwise do not convert to ordinary Shares:

Performance Rating	% Performance Rights capable of converting
Excellent	100%
Very Good	75%
Good	50%
Fair	25%
Poor	0%

The Group's policy for determining the nature and amount of remuneration of board members and key executives is set out below.

Directors

Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Group. The maximum aggregate amount of fees that can be paid to non-executive directors approved by shareholders is currently $250,000. One-third, by number, of non-executive directors retires by rotation at the Company's Annual General Meeting. Retiring directors are eligible for re- election by shareholders at the Annual General Meeting of the Company. The appointment conditions of the non-executive directors are set out and agreed in letters of appointment.

The Company currently believes it is prudent it continues to maintain a very low-cost corporate overhead and preserve its cash resources. Consequently, non-executive director fees are $25,000 per annum (including superannuation) to each non-executive director. The Company's chairman, Andy Greig has chosen to not accept a (director) fee. Chris Dunks was appointed as an executive director and his fee was increased to $73,000 per annum (including superannuation) from 1 August 2016. If directors perform services for the Company that, in the opinion of the other directors, is outside the scope of the ordinary duties of the director, the Company may pay that director for those services in addition to the remuneration outlined above. During the current Financial Year Mr Dunks received $80,000 of additional fees in relation to work undertaken on the Oropesa Tin Project acquisition and investor relations.

Executives

The remuneration structure for executives is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group.

Directors' Report

The executives receive payments provided for under an employment or service agreement, which may include cash, superannuation, short-term incentives, and equity based performance remuneration.

Chris Creagh was appointed Chief Executive Officer (CEO) on 1 January 2017, having previously held the position of Operations Manager since August 2016. The key terms of the employment agreement with Chris Creagh are:

- Total Fixed Remuneration of $200,000 per annum (inclusive of superannuation);
- Annual cash bonus at the discretion of the board (no STI was granted during the 2019 or 2018 financial years);
- Incentive package of 30,000,000 performance rights (issued on 9 February 2018); and
- 90 days' notice of termination by either party.

Drew Speedy was appointed Chief Financial Officer (CFO) on 1 April 2019. The key terms of the employment agreement with Drew Speedy are:

- Total Fixed Remuneration of $200,000 per annum (inclusive of superannuation);
- Annual cash bonus at the discretion of the board (no STI was granted during the 2019 financial year); and
- 90 days' notice of termination by either party.

The Company has a services agreement with Corporate Administration Services Pty Ltd ("CAS") and Duncan Cornish, the Company's CFO until 31 March 2019 and Company Secretary. Under the agreement, CAS also provided accounting, bookkeeping and administrative services. Both Elementos and CAS are entitled to terminate the agreement upon giving not less than three months' written notice. The base fee under the services agreement is $120,000 per annum which reduced to $33,000 from 1 April 2019 for Company Secretary services.

Remuneration Details of Key Management Personnel

The remuneration of the key management personnel of Elementos Limited for the year ended 30 June 2019 was as follows:

Year Ended 30 June 2019

Key Management Personnel	Short Term Benefits		Equity Settled Shares	Equity Settled Performance Rights	Post-Employment Super-annuation	Total	Performance related %	% consisting of options
	Salary & Fees $	Bonuses $	$	$	$	$		
A. Greig	-	-	-	-	-	-	-	-
C. Dunks[(1)]	144,996	-	-	-	-	144,996	-	-
C. Nolan	22,831	-	-	-	2,169	25,000	-	-
C. Treacy	24,396	-	-	-	2,169	26,565	-	-
C. Creagh	182,648	-	-	42,916	17,352	242,916	17.7%	-
D. Speedy[(2)]	42,150	-	-	-	4,004	46,154	-	-
D. Cornish[(3)]	73,363	-	-	-	-	73,363	-	-
	490,384	**-**	**-**	**42,916**	**25,694**	**558,994**		

1. During the period Mr Dunks received $80,000 of additional fees in relation to work undertaken on the Oropesa Tin Project acquisition and investor relations.
2. Appointed CFO on 1 April 2019.
3. Resigned as CFO on 31 March 2019 and ceased to be a KMP.

Directors' Report

Year Ended 30 June 2018

Key Management Personnel	Short Term Benefits		Equity Settled Shares	Equity Settled Performance Rights	Post-Employment Super-annuation	Total	Performance related %	% consisting of options/ rights
	Salary & Fees $	Bonuses $	$	$	$	$		
A. Greig	-	-	-	-	-	-	-	-
C. Dunks	72,996	-	-	-	-	72,996	-	-
C. Nolan	22,831	-	-	-	2,169	25,000	-	-
C. Treacy	25,831	-	-	-	2,169	28,000	-	-
C. Creagh	182,648	-	-	50,819	17,352	250,819	20.3%	-
D. Cornish	120,000	-	-	-	-	120,000	-	-
	424,306	**-**	**-**	**50,819**	**21,690**	**496,815**		

The percentage of equity-based remuneration for persons who were key management personnel of the Group during the year ended 30 June 2019 is set out below:

Key Management Personnel	Proportion of Remuneration	
	Equity Based	Salary and Fees
A. Greig	n/a	n/a
C. Dunks	-	100%
C. Nolan	-	100%
C. Treacy	-	100%
C. Creagh	17.7%	82.3%
D. Speedy	-	100%
D. Cornish	-	100%

Company Performance, Shareholder Wealth, and Director and Executive Remuneration

During the financial year, the Company has generated losses as its principal activity was mineral exploration.

The following table shows the share price of the Company since 2015.

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Share Price at year end ($)	0.006	0.006	0.0084	0.008	0.010

As the Company is still in the exploration and development stage, the link between remuneration, company performance and shareholder wealth is tenuous. Share prices are subject to the influence

Directors' Report

of metal prices and market sentiment towards the sector, and as such, increases and decreases might occur independent of executive performance and remuneration.

Options Held by Key Management Personnel

Details of options held directly, indirectly or beneficially by key management personnel during the year ended 30 June 2019 were as follows:

Key Management Personnel	Balance at 1 July 2018	Granted as Compen-sation	Exercised	Expired	Balance at 30 June 2019	Total Vested 30 June 2019	Total Vested and Exercisable 30 June 2019
D. Cornish	10,000,000	-	-	-	10,000,000	10,000,000	10,000,000
	10,000,000	**-**	**-**	**-**	**10,000,000**	**10,000,000**	**10,000,000**

Options Granted as Remuneration

As noted above, there were no options issued to key management personnel during the year ended 30 June 2019.

Performance Rights Held by Key Management Personnel

Chris Creagh (CEO) is the only key management personnel who has been issued performance rights Details of the performance rights held directly, indirectly or beneficially by Chris Creagh during the year ended 30 June 2019 were as follows:

Key Management Personnel	Balance at 1 July 2018	Granted as Compensation	Exercised	Expired	Balance at 30 June 2019	Total Vested and Exercisable 30 June 2019
C. Creagh	30,000,000	-	7,000,000	-	23,000,000	-

Shares Held by Key Management Personnel

Details of shares held directly, indirectly or beneficially by key management personnel during the year ended 30 June 2019 were as follows:

Key Management Personnel	Balance at 1 July 2018	Granted as Compensation	Received on Exercise of Options / Rights	Acquisitions	Balance at 30 June 2019
A. Greig	272,226,820	-	-	28,660,619	300,887,439
C. Dunks	19,687,505	-	-	-	19,687,505
C. Nolan	4,737,486	-	-	-	4,737,486
C. Treacy	28,000,004	-	-	-	28,000,004
C. Creagh	1,363,637	-	7,000,000	-	8,363,637
D. Speedy	-	-	-	-	-
D. Cornish	3,127,189	-	-	-	3,127,189
	329,142,641	**-**	**7,000,000**	**28,660,619**	**364,803,260**

Directors' Report

Other transactions with Key Management Personnel

On 17 April 2019, the Company executed a loan facility with the Company's Non-Executive Chairman Mr Andy Greig, a related party, with the following key terms:

- Loan amount = $2,000,000
- Loan term = 2 years
- Interest rate = 6.0% on drawn funds
- Unsecured
- No conversion rights
- No requirement to repay principal or pay interest during the loan term
- Repayable by the Company at any time (during the loan term)

As at 30 June 2019 the Company had not drawn on the loan facility.

End of Remuneration Report (Audited)

Options

At the date of this report, the unissued ordinary shares of the Company under options are as follows:

Unlisted Options

Grant Date/s	Expiry Date	Exercise Price	No. Under Option
26 October 2018	30 June 2020	0.07 cents	100,000,000

Performance Rights

At the date of this report, the number of Performance Rights on issue is as follows:

Grant Date/s	Expiry Date	Exercise Price	No. Rights
9 February 2018	30 June 2020	Nil	23,000,000

During the year ended 30 June 2019, no performance rights were issued and 7,000,000 performance rights issued on 9 February 2018 were exercised into ordinary shares by Key Management Personnel.

There have been no unissued shares or interests under option of any controlled entity within the economic entity during or since reporting date. Option and Performance Right holders do not have any rights to participate in any share issue or other interests in the Company or any other entity.

Directors' Report

Directors' Meetings

The meetings attended by each director during the financial year were:

Directors	Board		Audit & Risk Committee	
	Meetings	Attended	Meetings	Attended
A. Greig	5	4	2*	0*
C. Dunks	5	5	2	2
C. Nolan	5	4	2	1
C. Treacy	5	5	2	2

** Mr Greig is not a member of the Audit & Risk Committee.*

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Elementos Limited support and, where practicable or appropriate, have adhered to the ASX Principles of Corporate Governance. The Company's corporate governance statement is set out in this Annual Report.

Indemnification and Insurance of Directors and Auditors

The Company has entered into a Deed with each of the directors whereby the Company has agreed to provide certain indemnities to each director to the extent permitted by the Corporations Act and to use its best endeavours to obtain and maintain directors' and officers' indemnity insurance, subject to such insurance being available at reasonable commercial terms.

The economic entity has paid premiums to insure each of the directors of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The contracts include a prohibition on disclosure of the premium paid and nature of the liabilities covered under the policy.

The Company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums in respect of any person who is or has been an auditor of the Company or a related entity during the year and up to the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-Audit Services

The auditors did not provide any non-audit services during the year (2018: Nil).

Directors' Report

Future Developments and Likely Outlook

Planned developments in the operations of the Group and the expected results of those operations in subsequent financial years has been discussed where appropriate in the Annual Report under Review of Operations.

There are no further developments of which the Directors are aware which could be expected to affect the results of Group's operations and plans, other than information which the Directors believe comment on, or disclosure of, would prejudice the interests of the Group.

Auditor's Independence Declaration

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

Signed in accordance with a resolution of the board of directors.

Chris Dunks
Director

Dated 16 September 2019
Brisbane, Queensland

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF ELEMENTOS LIMITED

As lead auditor of Elementos Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

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

D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 16 September 2019

Shareholder Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 11 September 2019.

(a) Distribution of equity securities

The number of holders, by size of holding, in each class of security are:

	Ordinary Shares		Convertible Redeemable Preference Shares	
	No. Holders	**No. Shares**	**No. Holders**	**No. CRPS**
1 - 1,000	65	14,216	-	-
1,001 - 5,000	75	229,376	1	2,811
5,001 - 10,000	70	567,962	2	11,242
10,001 - 100,000	243	10,716,611	18	854,552
100,001 and over	430	1,532,802,796	46	999,131,395
Total	**883**	**1,544,330,961**	**67**	**1,000,000,000**

The Company notes that 399,968,205 of the Convertible Redeemable Preference Shares are held by ZCR Corporation.

	Performance Rights		Share Options	
	No. Holders	**No. Rights**	**No. Holders**	**No. Options**
1 - 1,000	-	-		
1,001 - 5,000	-	-		
5,001 - 10,000	-	-		
10,001 - 100,000	-	-		
100,001 and over	1	23,000,000	1	100,000,000
Total	**1**	**23,000,000**	**1**	**100,000,000**

The Company notes that 87,500,000 of the share options are held by TR Nominees Pty Ltd.

The number of shareholders holding less than a marketable parcel is 474.

Shareholder Information

(b) Twenty Largest Shareholders

The names of the twenty largest holders of Quoted Ordinary Shares are:

#	Registered Name	Number of Shares	% of total Shares
1	BOND STREET CUSTODIANS LIMITED	300,887,439	19.48%
2	KEO PROJECTS PTY LTD	79,505,195	5.15%
3	MERRILL LYNCH (AUSTRALIA) NOMINESS PTY LIMITED	61,258,853	3.97%
4	JAMES CALAWAY*	60,020,768	3.89%
5	BOURSE SECURITIES PTY LTD	59,366,667	3.84%
6	TR NOMINEES PTY LTD	50,000,000	3.24%
7	SANGWILL PTY LTD	45,100,000	2.92%
8	MR CALVIN PATRICK TREACY*	28,000,004	1.81%
9	PAN ANDEAN CAPITAL PTY LTD	28,000,000	1.81%
10	MR MICHAEL DAVID ADAMS*	27,299,095	1.77%
11	MR JOHN DOUGLAS JEFFERY & MRS ELSPETH LOUISE JEFFERY	25,300,000	1.64%
12	ILWELLA PTY LTD	25,000,000	1.62%
13	THREE ZEBRAS PTY LTD	23,000,000	1.49%
14	MR CHRISTOPHER JAMES DUNKS*	19,687,505	1.28%
15	MR CHRISTOPHER JOHN STAPLES*	19,050,762	1.23%
16	1514341 ONTARIO INC	17,200,000	1.11%
17	KOKONG HOLDINGS PTY LIMITED	16,768,693	1.09%
18	MR WILLIAM RICHARDS GOODALL	16,659,095	1.08%
19	MR JOHN JOSEPH BYRNE & MRS MARITZA IVONNE BYRNE	16,500,000	1.07%
20	HUMBER HAWKE PTY LTD	15,050,000	0.98%
	Top 20 Total	**933,654,076**	**60.46%**
	Total of Securities	**1,544,330,961**	

** Merged holding*

Shareholder Information

(c) Substantial Shareholders

The Company notes that, as at the date of this report, the following shareholders own substantial shareholdings (>= 5.0%) in Elementos Limited:

Name of Shareholder	Ordinary Shares	% of total Shares
BOND STREET CUSTODIANS LIMITED	300,887,439	19.48%
KEO PROJECTS PTY LTD	79,505,195	5.15%

(d) Voting rights

All ordinary shares carry one vote per share without restriction.

Options do not carry voting rights.

(e) Restricted securities

The Group currently has no restricted securities on issue.

(f) On-market buy back

There is not a current on-market buy-back in place.

(g) Business objectives

The Group has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.

Corporate Governance Statement

The board of directors of Elementos Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Elementos Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Elementos Limited's Corporate Governance Statement (which can be found on the Company's website www.elementos.com.au) is structured with reference to the Australian Securities Exchange ("ASX") Corporate Governance Council's (the "Council") "Corporate Governance Principles and Recommendations, 3rd Edition", which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to add value
Principle 3	Act ethically and responsibly
Principle 4	Safeguard integrity in corporate reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of security holders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

A copy of the eight Corporate Governance Principles and Recommendations can be found on the ASX's website.

The Board is of the view that, during the reporting period, with the exception of the departures from the ASX Guidelines as set out below, it otherwise complies with all of the ASX Guidelines.

Roles and Responsibilities of the Board and Management
ASX CGC Principle 1
Lay solid foundations for management and oversight.
Role of the Board

The Board of Directors is pivotal in the relationship between shareholders and management and the role and responsibilities of the Board underpin corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Group's needs.

Generally, the powers and obligations of the Board are governed by the Corporations Act and the general law.

Without limiting those matters, the Board expressly considers itself responsible for the following:

- Ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all relevant laws;
- Oversight of the Group including its framework of control and accountability systems to enable risk to be assessed and managed;
- Appointing and removing the chief executive officer;
- Ratifying the appointment and, where appropriate, removal of senior executives including the chief financial officer and the Group secretary;
- Input into and final approval of management's development of corporate strategy and performance objectives;
- Monitoring senior executive's performance and implementation of strategy;
- Ensuring appropriate resources are available to senior executives;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;

Corporate Governance Statement

- Approving and overseeing Committees where appropriate to assist in the Board's function and powers.

The Functions, Powers and Responsibilities of the Board are set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

The board meets on a regular basis to review the performance of the Company against its goals both financial and non-financial. In normal circumstances, prior to the scheduled board meetings, each board member is provided with a formal board package containing appropriate management and financial reports.

Appropriate background checks are conducted on proposed new directors and material information about a director being re-elected is provided to security holders.

Written agreements are entered in to with directors and senior management clearly setting out their roles and responsibilities.

The company secretary works directly with the chair and the executive director on the functioning of all board and committee procedures.

Diversity

The Group is committed to workplace diversity and ensuring a diverse mix of skills amongst its directors, officers and employees.

Recommendation 1.5 requires that listed entities should establish a policy concerning diversity. Whilst the Group does not currently have a Diversity policy due to its size and nature of its operations, it strives to attract the best person for the position regardless of gender, age, ethnicity or cultural background.

As at 30 June 2019, the proportion of women in the whole organisation is a follows:

	Male	Female
Board Members	4	-
Officers	2	-
Employees	-	1

Performance Evaluation

The Board (in carrying out the functions of the Remuneration and Nomination Committees) considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board.

No formal performance evaluation of the CEO has been undertaken to date.

No formal performance evaluation of the non-executive directors was undertaken during the year ended 30 June 2019.

Corporate Governance Statement

Board Composition
ASX CGC Principle 2

Structure of the Board to add value

Nomination Committee

Recommendation 2.1 requires the Board to establish a nomination committee.

Although the Board has adopted a Nominations Committee Charter, the Board has not formally established a Nominations Committee as the Directors consider that the Company is currently not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board as a whole is able to address these issues and is guided by the Nominations Committee Charter. The Company will review this position annually and determine whether a Nominations Committee needs to be established.

The Nomination Committee Charter is set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

The Company is developing an appropriate board skills matrix. The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report is detailed in the Directors' report.

Corporate Governance Council Recommendation 2.4 requires a majority of the Board to be independent Directors. The Corporate Governance Council defines independence as being free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material capacity to bring independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.

In the context of Director independence, "materiality" is considered from both the Group and the individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered included whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Group.

In accordance with the Council's definition of independence above and the materiality thresholds set, all of the Company' s directors are not considered to be independent and therefore the Group does not currently comply with Recommendation 2.4:

Name	Position	Reason for non-compliance
A. Greig	Non-Executive Chairman	Director is a substantial (>5%) shareholder
C. Dunks	Executive Director	Director is engaged by the Company in an executive capacity

Corporate Governance Statement

Elementos Limited considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its Board members. The Directors noted above have been appointed to the Board of Elementos Limited due to their considerable industry and corporate experience. The term in office held by each Director in office at the date of this report is as follows:

Name	Term in Office
A. Greig	3 years, 11 months
C. Dunks	3 years, 11 months
C. Nolan	10 years 2 months
C. Treacy	5 years 11 months

Directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Group's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Group. Informal induction is provided to any new directors.

Act Ethically and Responsibly
ASX CGC Principle 3

Code of Conduct

The Directors are subject to certain stringent legal requirements regulating the conduct both in terms of their internal conduct as directors and in their external dealings with third parties both on their own and on behalf of the Group.

To assist directors in discharging their duty to the Group and in compliance with relevant laws to which they are subject, the Group has adopted a Corporate Ethics Policy and Corporate Code of Conduct within its Corporate Governance Charter.

The Corporate Ethics Policy sets out rules binding Directors in respect of:

- a Directors' legal duties as an officer of the Company;
- a Directors' obligations to make disclosures to the ASX and the market generally; and
- dealings by Directors in shares in the Company.

The Corporate Ethics Policy, as set out in the Company's Corporate Governance Charter is available from the corporate governance section of the Group's website.

Safeguard Integrity in Corporate Reporting
ASX CGC Principle 4
Audit Committee

The Board has established an Audit and Risk Management Committee which operates under a charter approved by the Board.

Recommendation 4.1 states that an audit committee should be structured so that it:

i. consists only non-executive directors;
ii. consists of a majority of independent directors;
iii. is chaired by an independent chair, who is not the chair of the Board; and
iv. has at least three members.

Corporate Governance Statement

The members of the Audit & Risk Management Committee are Corey Nolan, Calvin Treacy and Chris Dunks. The Committee is chaired by an independent director (Corey Nolan). While Messrs Nolan and Treacy are both non-executive directors, Chris Dunks is engaged in an executive capacity. The majority of the Committee are independent directors, with only Chris Dunks not considered as being independent (based on the Council's definition). The Company does not presently comply fully with Recommendation 4.1 having not met point i above.

All members of the Audit & Risk Management Committee are considered financially literate in the context of the Company's affairs. The Company believes that given the size and nature of its operations, non-compliance by the Company with Recommendation 4.1 will not be detrimental to the Company.

The number of meetings of the Audit & Risk Management Committee held during the year and the number of meetings attended by each Director was as follows:

	Audit & Risk Management Committee	
	Number of meetings held while in office	**Meetings attended**
C. Nolan	2	1
C. Dunks	2	2
C. Treacy	2	2

The Audit Committee Charter is set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

Certification of financial reports

The Executive Director has made the following certifications to the Board:

- That the Group's financial reports are complete and present a true and fair view, in all material respects, of the financial position and performance of the Group and are in accordance with relevant accounting standards;
- The integrity of the reports is founded on a sound system of financial risk management and internal compliance and control.

The Chief Financial Officer has made the following certifications to the Board:

- That the Group's financial reports are complete and present a true and fair view, in all material respects, of the financial position and performance of the Group and are in accordance with relevant accounting standards;
- The integrity of the reports is founded on sound system of financial risk management and internal compliance and control.

The Group ensures that its external auditor is present at the AGM to answer any questions with regard to the efficacy of the financial statement audit and the associated independent audit report.

Continuance Disclosure
ASX CGC Principle 5
Make timely and balanced disclosure

The Group duly complies with ASX and ASIC requirements for the timely and accurate reporting of the Group's financial activities, thus ensuring that the Group has disclosed all information which has a material impact on shareholders. This includes the Annual Financial Report, Interim Financial Report, quarterly cash flows, new and relinquished tenements and changes in directors and shareholder interests and other events which are identified to be material. All ASX announcements are available on the Group's website.

Corporate Governance Statement

The Company Secretary is responsible for communication with the ASX, including responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and oversight of information distributed to the ASX.

Respect The Rights of Security Holders
ASX CGC Principle 6

The Board of directors undertakes to ensure that shareholders are informed of all major developments affecting the Group. Information is communicated to shareholders through the annual report, interim financial report, announcements made to the ASX, notices of Annual General and Extraordinary General Meetings, the AGM and Extraordinary General Meetings.

The Board encourages full participation of shareholders at Annual and Extraordinary General Meetings to ensure a high level of accountability and identification with the Group's direction, strategy and goals. In particular, shareholders are responsible for voting on the re-election of directors.

The Group also offers shareholders the option to receive ASX announcements and other notices from the Company electronically.

Risk Management
ASX CGC Principle 7
Recognise and manage risk

The Board has established an Audit and Risk Management Committee which operates under a charter approved by the Board.

Recommendation 7.1 states that an audit committee should be structured so that it:

i. consists only non-executive directors;
ii. consists of a majority of independent directors;
iii. is chaired by an independent chair, who is not the chair of the Board; and
iv. has at least three members.

The members of the Audit & Risk Management Committee are Corey Nolan, Calvin Treacy and Chris Dunks. The Committee is chaired by an independent director (Corey Nolan). While Messrs Nolan and Treacy are both non-executive directors, Chris Dunks is engaged in an executive capacity. The majority of the Committee are independent directors, with only Chris Dunks not considered as being independent (based on the Council's definition). The Company does not presently comply fully with Recommendation 7.1 having not met point i above.

All members of the Audit & Rick Management Committee are considered to have sufficient technical, legal and industry experience in the context of the Company's affairs to properly assess the risks facing the Group. The Company believes that given the size and nature of its operations, non-compliance by the Company with Recommendation 7.1 will not be detrimental to the Company.

Corporate Governance Statement

The number of meetings of the Audit & Risk Management Committee held during the year and the number of meetings attended by each Director was as follows:

	Audit & Risk Management Committee	
	Number of meetings held while in office	**Meetings attended**
C. Nolan	2	1
C. Dunks	2	2
C. Treacy	2	2

The Company has developed a basic framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. Further detail of the Company's risk management policies can be found within the Audit and Risk Management Committee Charter.

Recommendation 7.2 requires that the Board review the Company's risk management framework and disclose whether such a review has taken place. Business risks are considered regularly by the Board and management at management and Board meetings. A formal report to the Board as to the effectiveness of the management of the Company's material business risks has not been formally undertaken.

The Audit and Risk Management Committee Charter is set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

The Company does not have a separate internal audit function. The board considers that the Company is not currently of the size or complexity to justify a separate internal audit function, and that appropriate internal financial controls are in place. Such controls are monitored by senior financial management and the Audit and Risk Committee.

The Directors' Report sets out some of the key risks relevant to the Company and its operations. Although not specifically defined as such, the risks include economic, environmental and social sustainability risks. As noted above, the Company regularly reviews risks facing the Company and adopts appropriate mitigation strategies where possible.

Remuneration
ASX CGC Principle 8
Remunerate fairly and responsibly

Remuneration Committee

The Board has not established a Remuneration Committee which operates under a charter approved by the Board.

Although the Board has adopted a Remuneration Committee Charter, the Board has not formally established a Remuneration Committee as the Directors consider that the Company is currently not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board as a whole considers themselves to have sufficient legal, corporate, commercial and industry experience in the context of the Company's affairs to properly assess the remuneration issues required by the Group and is able to address these issues while being guided by the Remuneration Committee Charter. The Company will review this position annually and determine whether a Remuneration Committee needs to be established.

Corporate Governance Statement

The Company believes that given the size and nature of its operations, non-compliance by the Company with Recommendation 8.1 will not be detrimental to the Company.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of executive Directors' and officer's remuneration to the Group's financial and operations performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key Executives
- attraction of quality management to the Group
- performance incentives which allow executives, management and staff to share the rewards of the success of Elementos Limited.

For details on the amount of remuneration and all monetary and non-monetary components for Key Management Personnel during the period, please refer to the Remuneration Report within the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Remuneration Committee and the Board, having regard to the overall performance of Elementos Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits to directors other than statutory superannuation.

The Remuneration Committee Charter is set out in the Company's Corporate Governance Charter which is available from the corporate governance section of the Group's website.

Remuneration Policy

The Group's remuneration policy is also further detailed in the Remuneration Report in the Directors Report.

Non-Executive Director Remuneration

Non-executive directors are remunerated at market rates for time, commitment and responsibilities. Non-executive directors are remunerated by fees as determined by the Board with the aggregate directors' fee pool limit of $250,000. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Independent consultancy sources provide advice, as required; ensuring remuneration is in accordance with market practice. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold shares in the Company and are, subject to approval by shareholders, periodically offered options and/or performance rights.

The Company has adopted a Trading Policy that includes a prohibition on hedging, aimed at ensuring participants do not enter in to arrangements which would have the effect of limited their exposure to rick relating to an element of their remuneration.

Other Information

Further information relating to the Group's corporate governance practices and policies has been made publicly available on the Group's web site.

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Note	30 June 2019 $	30 June 2018 $
Interest Revenue		10,400	22,658
Corporate and administrative expenses	2	(1,967,777)	(842,591)
Loss before income tax expense		(1,957,377)	(819,933)
Income tax expense	3	-	-
Loss for the period attributable to members of the parent entity		(1,957,377)	(819,933)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange gains on translation of foreign operations		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss attributable to members of the parent entity		**(1,957,377)**	**(819,933)**
Basic and diluted loss per share (cents per share)	11	(0.13)	(0.07)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2019

	Note	30 June 2019 $	30 June 2018 $
CURRENT ASSETS			
Cash and cash equivalents	4	400,812	936,562
Trade and other receivables		257	5,834
Total Current Assets		**401,069**	**942,396**
NON-CURRENT ASSETS			
Exploration and evaluation assets	5	5,436,336	5,326,936
Plant and equipment		21,910	31,426
Other non-current assets		7,000	7,000
Total Non-Current Assets		**5,465,246**	**5,365,362**
TOTAL ASSETS		**5,866,315**	**6,307,758**
CURRENT LIABILITIES			
Trade and other payables	6	182,754	62,330
Borrowings	7	5,490	5,182
Total Current Liabilities		**188,244**	**67,512**
NON-CURRENT LIABILITIES			
Borrowings	7	21,911	27,401
Total Non-Current Liabilities		**21,911**	**27,401**
TOTAL LIABILITIES		**210,155**	**94,913**
NET ASSETS		**5,656,160**	**6,212,845**
EQUITY			
Contributed equity	8	16,667,725	15,578,119
Reserves		430,935	119,849
Accumulated losses		(11,442,500)	(9,485,123)
TOTAL EQUITY		**5,656,160**	**6,212,845**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2019

	Note	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Total
		$	$	$	$
Balance at 30 June 2017		**13,391,701**	**(8,729,360)**	**133,200**	**4,795,541**
Loss for the period		-	(819,933)	-	(819,933)
Total comprehensive income		**-**	**(819,933)**	**-**	**(819,933)**
Issue of shares	8	2,296,291	-	-	2,296,291
Transaction costs	8	(109,873)	-	-	(109,873)
Transfer of expired options		-	64,170	(64,170)	-
Issue performance rights		-	-	50,819	50,819
Balance at 30 June 2018		**15,578,119**	**(9,485,123)**	**119,849**	**6,212,845**
Loss for the period		-	(1,957,377)	-	(1,957,377)
Total comprehensive income		**-**	**(1,957,377)**	**-**	**(1,957,377)**
Issue of shares	8	1,231,908	-	-	1,231,908
Transaction costs	8	(198,302)	-	-	(198,302)
Transfer of exercised performance rights		56,000	-	(56,000)	-
Issue options and performance rights		-	-	367,086	367,086
Balance at 30 June 2019		**16,667,725**	**(11,442,500)**	**430,935**	**5,656,160**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	30 June 2019 $	30 June 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		12,017	11,144
Payments to suppliers and employees		(1,258,705)	(751,565)
Payments in relation to Oropesa Tin Project		(317,138)	-
Net cash used in operating activities	10	**(1,563,826)**	**(740,421)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(250,982)	(719,461)
Refunds of security deposits		-	11,934
Research and development refunds		148,479	144,641
Purchase of property, plant and equipment		-	-
Net cash used in investing activities		**(102,503)**	**(562,886)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,227,255	1,751,837
Costs associated with share issues		(89,743)	(158,331)
Lease payments		(6,933)	(4,516)
Repayment of loan		-	(4,989)
Net cash provided by financing activities		**1,130,579**	**1,584,001**
Net increase/(decrease) in cash held		(535,750)	280,694
Cash at Beginning of Year		936,562	655,868
Cash at End of Year	4	**400,812**	**936,562**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board. Elementos Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements are presented in Australian dollars.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting and Interpretation Standards. The financial statements are for the consolidated entity consisting of Elementos Limited and its Controlled Entities. Elementos Limited is a public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical cost. The financial report was authorised for issue on 16 September 2019 by the directors of the Company.

Separate financial statements for Elementos Limited as an individual entity are no longer presented following a change to the Corporations Act 2001. However, financial information required for Elementos Limited as an individual entity is included in Note 21.

Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on the ability of the Group to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development. The Group has not generated any revenues from operations. During the year ended 30 June 2019, the Group raised $1,227,255 of cash through equity raisings and option exercises (before costs). The Group has also entered into a Loan Facility with the Group's Non-Executive Chairman for $2,000,000.

Should the Group not be able to raise further capital, dispose of assets when required or manage its expenditure so as to conserve cash over the coming 12 months, there exists a material uncertainty regarding the Group's ability to continue as a going concern and realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities which might be necessary should the Group not be able to continue as a going concern.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Elementos Limited ("Company" or "parent entity") as at 30 June 2019, and the results of all subsidiaries for the year then ended. Elementos Limited and its subsidiaries together are referred to in these financial statements as "the Group" or "the consolidated entity".

The names of the subsidiaries are contained in Note 19. All subsidiaries have a 30 June financial year end and are accounted for by the parent entity at cost.

Subsidiaries are all entities over which the Group has control. The Group has control over an entity when the Group is exposed to, or has a right to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss.

The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income). Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax (continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

The Company and its Australian 100% owned controlled entities have formed a tax consolidated group.

Members of the Group entered into a tax sharing arrangement. The agreement provides for the allocation of income tax liabilities between the entities in proportion to their contribution to the Group's taxable income. The head entity of the tax consolidated Group is Elementos Ltd.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation assets where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restoration Costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The economic entity currently has no obligation for any restoration costs in relation to discontinued operations, nor is it currently liable for any future restoration costs in relation to current areas of interest. Consequently, no provision for restoration has been deemed necessary.

Impairment of Non-Financial Assets

At each reporting date, the economic entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. No impairment existed at reporting date.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of less than 3 months.

Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share Based Payments and Performance Rights

The economic entity makes equity-settled share based payments to directors, employees and other parties for services provided or the acquisition of exploration assets. Where applicable, the fair value of the equity is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black Scholes option pricing model. Where applicable, the number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the fair value of services rendered by other parties can be reliably determined, this is used to measure the equity-settled payment.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Employee Benefits

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or overseas VAT), except where the amount of GST incurred is not recoverable. In these circumstances the GST (or overseas VAT) is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional and presentation currency of Elementos Ltd and its Australian subsidiaries is Australian dollars ($A).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency Transactions and Balances (continued)

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were measured. Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the economic entity's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period;
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to exploration and evaluation assets that have been capitalised are recognised by deducting the grant received from the carrying amount of the exploration and evaluation asset recognised on the statement of financial position.

Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period adjusted for any bonus elements in ordinary shares issued during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and Amended Standards and Interpretations Adopted During the Year

The consolidated entity has adopted all new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2018. The consolidated entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies as a result of adopting the following standards:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*.

The impact of the adoption of these standards and the new accounting policies are disclosed below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

AASB 15 *Revenue from Contracts with Customers* – Impact of adoption

The group has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018. In accordance with the transition provisions in AASB 15, the group has adopted the new rules retrospectively however there was no material impact on the amounts disclosed previously and as a result there has been no restatement required as a result of reclassification or remeasurement and no change to the previously disclosed accounting policies.

AASB 9 *Financial Instruments* – Impact of adoption

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in changes in accounting policies. The new accounting policies are set out in note below. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated.

(i) Classification and Measurement

On 1 July 2018 (the date of initial application of AASB 9), the Group's management has assessed which business models apply to the financial assets held by the group and has classified its financial instruments into the appropriate AASB 9 categories. There were no changes to the classification and measurement of financial assets. The Group has cash and cash equivalents and trade and other receivables that continue to be measured at amortised cost under AASB 9.

(ii) Impairment of financial assets

The Group has one type of financial asset that is subject to AASB 9's new expected credit loss model, being trade and other receivables.

The group was required to revise its impairment methodology under AASB 9. There was no material impact of the change in impairment methodology on the group's accumulated losses and equity.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no material impairment loss identified.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 9 *Financial Instruments* – Accounting policies applied

Classification

From 1 July 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The Group's financial assets (cash and cash equivalents and trade and other receivables) are under this measurement category:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Impairment

From 1 July 2018, the group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Standards and Interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. The consolidated entity has decided against early adoption of these standards. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below:

AASB 16: Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.
The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Fair Values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their best economic interest. The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use. In measuring fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the economic entity.

Key Judgements:

Exploration and Evaluation Assets

The economic entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to reporting date. Exploration and evaluation assets at 30 June 2019 were $5,436,336 (2018: $5,326,936).

Deferred Tax Assets

The Company is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity estimates its tax liabilities based on the consolidated entity's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the consolidated entity has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity, which is not part of the tax consolidated group, to satisfy certain tests at the time the losses are recouped. Due to the parent entity acquiring the entity that holds the losses it is expected that the entity will fail to satisfy the continuity of ownership test and therefore has to rely on the same business test. As at 30 June 2019 the consolidated entity has not received advice that the losses are unavailable, however should this change in the future the consolidated entity may be required to derecognise these losses.

NOTE 2: EXPENSES

	30 June 2019 $	30 June 2018 $
Included in expenses are the following items:		
Depreciation	2,619	2,774
ASX, ASIC, share registry expenses	53,184	58,413
Business development and investor relations costs	227,814	167,155
Legal fees	240,440	6,611
Oropesa Tin Project operating costs	393,432	-
Insurances	34,782	30,682
Audit, tax and external accounting fees	97,507	88,025
Interest	-	3,785
Employee benefits expense comprises:		
Salaries and wages	232,699	149,534
Consulting fees	245,024	183,396
Contributions to defined contribution plans	34,952	29,249
Equity settled securities	37,086	50,819
Annual leave expensed	6,406	1,535

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

NOTE 3: INCOME TAX EXPENSE

	30 June 2019 $	30 June 2018 $
The prima facie tax on the operating loss is reconciled to income tax expense as follows:		
Prima facie tax/ (benefit) on loss from ordinary activities before income tax at 27.5% (2018: 27.5%)	(587,213)	(245,980)
Adjust for tax effect of:		
Non-deductible amounts	209,993	(21,211)
Tax loss not recognised	272,421	167,109
Temporary differences recognised	-	-
Under/Over	104,799	100,082
Income tax expense/(benefit)	**-**	**-**

Deferred tax assets and liabilities not recognised, the net benefit of which will only be realised if the conditions for deductibility as set out in Note 1 occur:

Temporary differences	-	-
Tax losses	4,437,673	4,117,690

The Group has carried forward tax losses of $19,062,422 in Australia, which must satisfy the Continuity of Ownership Test, or failing that, the Same Business Test, in order to be utilised in the future.

NOTE 4: CASH AND CASH EQUIVALENTS

	30 June 2019 $	30 June 2018 $
Cash at bank and on hand	390,812	425,819
Short term deposits	10,000	510,743
	400,812	936,562

NOTE 5: EXPLORATION AND EVALUATION ASSETS

	30 June 2019 $	30 June 2018 $
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	5,436,336	5,326,936
Movement in exploration and evaluation assets:		
Opening balance - at cost	5,326,936	4,745,500
Capitalised exploration expenditure	257,879	726,077
Exploration and evaluation assets written off	-	-
Total exploration and evaluation assets	5,584,815	5,471,577
Less research and development refunds	(148,479)	(144,641)
Carrying amount at the end of the year	**5,436,336**	**5,326,936**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively, through the sale of the areas of interest.

NOTE 6: TRADE AND OTHER PAYABLES

	30 June 2019 $	30 June 2018 $
Current:		
Trade payables and accrued expenses	167,124	53,105
Short term employee benefits	15,631	9,225
Total payables (unsecured)	**182,754**	**62,330**

The average credit period on purchases of goods and services is 30 days. No interest is paid on trade payables.

NOTE 7: BORROWINGS

	30 June 2019 $	30 June 2018 $
Current:		
Unsecured:		
Hire purchase lease	5,490	5,182
Total unsecured non-current liability	**5,490**	**5,182**
Non-Current:		
Unsecured:		
Hire purchase lease	21,911	27,401
Total unsecured non-current liability	**21,911**	**27,401**

NOTE 7: BORROWINGS (CONTINUED)

	2018	Cash flows	Interest accrued	2019
Hire purchase lease	32,583	(6,933)	1,751	27,401
	32,583	**(6,933)**	**1,751**	**27,401**

On 17 April 2019, the Company executed a loan facility with the Company's Non-Executive Chairman Mr Andy Greig, a related party, with the following key terms:

- Loan amount = $2,000,000
- Loan term = 2 years
- Interest rate = 6.0% on drawn funds
- Unsecured
- No conversion rights
- No requirement to repay principal or pay interest during the loan term
- Repayable by the Company at any time (during the loan term)

As at 30 June 2019 the Company had not drawn on the loan facility.

NOTE 8: CONTRIBUTED EQUITY

Fully paid ordinary shares

		2019		2018	
		No. of Shares	$	No. of Shares	$
Balance as at 1 July		1,332,012,910	15,578,119	949,297,823	13,391,701
Share issues:					
9 August 2017	(a)	-	-	153,985,709	923,914
21 August 2017	(b)	-	-	83,338,933	500,034
21 August 2017	(c)	-	-	45,371,137	272,227
Various	(d)	-	-	100,019,308	600,116
4 July 2018	(e)	5,318,052	31,908	-	-
26 October 2018	(f)	149,999,999	900,000	-	-
14 November 2018	(f)	50,000,000	300,000	-	-
17 April 2019	(g)	7,000,000	56,000	-	-
Balance as at 30 June		**1,544,330,961**	**16,866,027**	**1,332,012,910**	**15,687,992**
Total transaction costs associated with share issues			(198,302)		(109,873)
Net issued capital			16,667,725		15,578,119

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

NOTE 8: CONTRIBUTED EQUITY (CONTINUED)

Notes for the above table, relating to the year ended 30 June 2019, are:

(a) Issued at 0.60 cents each, pursuant to a rights issue

(b) Issued at 0.60 cents each, pursuant to a rights issue

(c) Issued at 0.60 cents each upon the exercise of options

(d) Between 30 August 2017 and 27 June 2018 - issued at 0.60 cents each upon the exercise of options

(e) Issued at 0.60 cents each upon the exercise of options

(f) On 31 July 2018, the Company announced that it had received commitments to complete a private placement of 199,999,999 shares to be issued at 0.60 cents per share to raise a total of $1,200,000 (before costs). The transaction completed in two tranches as follows:

(c) On 26 October 2018 149,999,999 shares issued at 0.60 cents per share

(d) On 14 November 2018 50,000,000 shares issued at 0.60 cents per share

(g) Issued on the exercise of vested performance rights, no funds were raised as this amount reflects the valuation of performance rights at the time of grant.

(Incentive) Options

	Note	Weighted average exercise price (cents)	30 June 2019 No. of Options	Weighted average exercise price (cents)	30 June 2018 No. of Options
Unlisted Share Options		1.21	10,000,000	1.21	11,000,000
Balance at the beginning of the reporting period		1.21	11,000,000	2.01	20,300,000
Options issued during the period		-	-	-	-
Options expired during the period		1.16	(1,000,000)	2.96	(9,300,000)
Exercisable at end of year(i)		1.21	10,000,000	1.21	11,000,000

(i) The 10,000,000 incentive options expired subsequent to year end on 31 July 2019.

(Other) Options

	Note	Weighted average exercise price (cents)	30 June 2019 No. of Options	Weighted average exercise price (cents)	30 June 2018 No. of Options
Unlisted Share Options		0.70	100,000,000	-	-
Balance at the beginning of the reporting period		0.60	5,318,052	-	-
Options issued during the period:		0.70	100,000,000	0.60	337,324,642
Options exercised during the period		0.60	(5,318,052)	0.60	(145,390,445)
Expired		-	-	0.60	(186,616,145)
Exercisable at end of year		0.70	100,000,000	0.60	5,318,052

The weighted average remaining contractual life of the other options was 1 year.

NOTE 8: CONTRIBUTED EQUITY (CONTINUED)

Terms and Conditions

Inputs used to value the share options on issue are as follows:

Reference	70,000,000	30,000,000
Grant date	26/10/18	9/11/18
Expected volatility (%)	125	125
Risk-free interest rate (%)	1.99	1.99
Expected life of (years)	1.68	1.64
Model used	Black Scholes	Black Scholes

Capital Management

Exploration companies such as Elementos Limited are funded almost exclusively by share capital. In April 2019, the Group also entered in to a loan facility set out in more detail in Note 7 (Borrowings).

Management controls the capital of the Group to ensure it can fund its operations and continue as a going concern. Capital management policy is to fund its exploration activities principally by way of equity, and where required, debt and/or project finance. No dividend will be paid while the Group is in exploration stage. There are no externally imposed capital requirements.

There have been no other changes to the capital management policies during the year.

NOTE 9: RESERVES

Foreign Currency Translation Reserve

The foreign currency translation reserve recorded exchange differences arising on translation of foreign controlled subsidiaries. Amounts were reclassified during the period to profit or loss as the foreign operations have been abandoned.

Share-Based Payments Reserve

The share-based payment reserve is used to recognise the fair value of options issued to employees and consultants. This reserve can be reclassified as retained earnings if options lapse.

NOTE 10: CASH FLOW INFORMATION

	30 June 2019 $	30 June 2018 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax:		
Loss after income tax	(1,957,377)	(819,933)
Non-cash flows in loss from ordinary activities:		
Depreciation	2,619	2,774
Equity settled compensation	255,202	50,819
Deposit refund	-	(11,934)
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	-	(5,550)
(Increase)/Decrease in prepayments and other assets	-	(630)
(Decrease)/Increase in payables	135,730	44,033
Cash flows from operations	**(1,563,826)**	**(740,421)**

Options and performance rights issued to employees and consultants for no cash consideration are disclosed in note 8.

NOTE 11: LOSS PER SHARE

	30 June 2019 $	30 June 2018 $
Net loss used in the calculation of basic and diluted LPS	(1,957,377)	(819,933)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic LPS	1,472,013,279	1,229,332,530

Options are considered potential ordinary shares. Options issued are not presently dilutive and were not included in the determination of diluted loss per share for the period. Shares and options issued subsequent to 30 June 2019 are also not dilutive.

NOTE 12: COMMITMENTS

(a) Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The following commitments exist at reporting date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished, the expenditure commitment also ceases. The Group has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

	30 June 2019 $	30 June 2018 $
Not later than 1 year	850,000	1,000,000
Later than 1 year but not later than 5 years	-	-
Total commitment	**850,000**	**1,000,000**

(b) Operating Lease Commitments

The Group has no operating leases (2018: nil).

NOTE 13: CONTINGENT LIABILITIES

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

NOTE 14: RELATED PARTY TRANSACTIONS

Parent Entity

Elementos Limited is the legal parent and ultimate parent entity of the Group, owning 100% of all subsidiaries at 30 June 2019.

Subsidiaries

Interest in subsidiaries are disclosed in Note 19.

NOTE 14: RELATED PARTY TRANSACTIONS (continued)

Key Management Personnel

	30 June 2019 $	30 June 2018 $
Short-term employee benefits	490,384	421,306
Post-employment benefits	25,694	21,690
Equity-based payments	42,916	50,819
	558,994	**493,815**

On 17 April 2019, the Company executed a loan facility with the Company's Non-Executive Chairman Mr Andy Greig, a related party, for up to $2,000,000. The Company had not drawn on the loan at 30 June 2019. Further details are contained in Note 7 (Borrowings).

The Company has a services agreement with Corporate Administration Services Pty Ltd ("CAS") and Duncan Cornish, the Company's CFO (resigned 31 March 2019) and Company Secretary (continuing). Under the agreement, CAS also provides accounting, bookkeeping and administrative services. Both Elementos and CAS are entitled to terminate the agreement upon giving not less than three months' written notice. The base fee under the services agreement is $120,000 per annum which reduced to $30,000 for Company Secretary services from 1 April 2019.

NOTE 15: SHARE-BASED PAYMENTS

Director and Employee Share-based Payments

Share based payment expense recognised during the year:

	30 June 2019 $	30 June 2018 $
Share based payment expense recognised during the period:		
Performance Rights issued to an employee under performance rights plan	42,916	50,819
	42,916	**50,819**

During the year ended 30 June 2018, 30,000,000 performance rights were granted to the Company's Chief Executive Officer, Chris Creagh, one of the Group's key management personnel, under the (shareholder approved) Performance rights Plan. The performance rights have seven tranches that each have difference test dates, vesting dates and vesting conditions. All of the Performance Rights have an expiry date of 30 June 2020.

The Company obtained an independent valuation of the Performance Rights, who took into account the share price at grant date and the (director) estimated probability of achieving each vesting condition. These values were then spread evenly (for each tranche) over the period to the test date for each tranche.

Performance Rights shall be divided into tranches of the amounts set out in Column 1, vesting on satisfaction of conditions set out in Column 2:

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2019

NOTE 15: SHARE-BASED PAYMENTS (CONTINUED)

Column 1	Column 2
(1) 4,000,000[(a)]	On continuous employment with the Company until 31 March 2018
(2) 2,000,000	On successful completion of the Definitive Feasibility Study
(3) 3,000,000[(a)]	On continuous employment with the Company until 1 January 2019
(4) 3,000,000	On final approval of Environmental Permitting by any relevant authority
(5) 4,000,000	On completion of a capital raising (debt or equity, or a combination) sufficient to fund construction of a project and Elementos' corporate costs
(6) 4,000,000	On continuous employment with the Company until 1 January 2020
(7) 10,000,000[(b)]	On the commissioning of a process plant that uses the low concentrate, roasting, leaching and electrowinning technology introduced to Elementos and reaching 80% of planned monthly production rate for a period of 3 months at any site operated by Elementos

[(a)] These 7,000,000 performance rights were exercised into fully paid ordinary shares on 17 April 2019.
[(b)] If the technology referred to in Tranche 7 is not implemented, Tranche 7 is subject to change by Elementos at its sole discretion.

If a vesting condition is satisfied after the Employee's employment ends, the Board may in its absolute discretion (acting reasonably) assess and rate the Employee's performance or contribution toward the satisfaction of a vesting condition ('Performance Rating') in which event the Performance Rights for that Tranche will convert in the limited proportion set out in the table below ('Determined Rights'), and otherwise do not convert to ordinary Shares:

Performance Rating	% Performance Rights capable of converting
Excellent	100%
Very Good	75%
Good	50%
Fair	25%
Poor	0%

NOTE 16: AUDITOR'S REMUNERATION

Remuneration for the auditor of the parent entity:

	30 June 2019 $	30 June 2018 $
BDO Audit Pty Ltd and its related entities:		
Auditing or reviewing the financial reports	41,443	43,443
	41,443	**43,443**

NOTE 17: FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Elementos Group's financial instruments comprises cash balances, receivables and payables, loans to and from subsidiaries. The main purpose of these financial instruments is to provide finance for Group operations.

Treasury Risk Management

Key executives of the Company meet on a regular basis to analyse exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the board.

Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk. These risks are managed through monitoring of forecast cash flows, interest rates, economic conditions and ensuring adequate funds are available.

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's cash flows from interest will fluctuate as a result of changes in market interest rates, arises in relation to the Group's bank balances. This risk is managed through careful placement of surplus funds in interest bearing bank accounts.

The Company has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant, is immaterial (2018: immaterial).

Liquidity Risk

Liquidity risk is the risk that the Group will not be able meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's activities are funded from equity and where required and available debt and/or project finance. There is no requirement to repay principal or pay interest on the related party loan during the loan term.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is their carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk arises from exposures to deposits with financial institutions and sundry receivables.

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk is managed and reviewed regularly by key executives. The key executives monitor credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised; and
- all other entities are rated for credit worthiness taking into account their size, market position and financial standing.

At 30 June 2019, there was no concentration of credit risk, other than bank balances and on geographical basis with most financial assets in Australia (2018: nil).

(b) Financial Instrument Composition and Contractual Maturity Analysis

	30 June 2019 $	30 June 2018 $
Financial assets:		
Within 6 months:		
cash & cash equivalents (i)	400,812	936,562
receivables (ii)	257	5,834
	401,069	**942,396**
Financial liabilities:		
Within 6 months:		
payables (ii)	(182,754)	(62,330)
Within 18 months:		
loan	(5,490)	(7,888)
	(188,244)	**(70,218)**

(i) Floating interest rates, with weighted average effective interest rate 0.14%, with an average maturity of 1 day.

(ii) Non-interest bearing. The contractual cash flows do not differ to the carrying amount.

(c) Fair Values

Fair values of financial assets and financial liabilities are materially in line with carrying values due to their short term nature.

NOTE 18: SEGMENT REPORTING

Operating segments have been determined on the basis of reports reviewed by the board of directors and the Chief Executive Officer (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the board of directors which is at the Group level. The Group does not have any products or services that it derives revenue from. The Group's exploration and development activities in Australia is the Group's sole focus, primarily focused around tin and copper.

Accordingly, management currently identifies the Group as having only one reportable segment, being the exploration of mineral assets in Australia. There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. As detailed in the Review of Operations the Company is in the process of acquiring the Oropesa Tin Project based in Spain, following completion of the acquisition the Board of Directors and Chief Executive Officer will review the operating segments moving forward.

NOTE 19: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

	Country of incorporation	Ownership interest	
		2019	2018
Rockwell Minerals Pty Ltd	Australia	100%	100%
Rockwell Minerals (Tasmania) Pty Ltd	Australia	100%	100%
Elementos Minerales S.A.	Argentina	100%	100%
Elementos Chile Limitada	Chile	100%	100%
Elementos Spain Pty Ltd	Australia	100%	-

NOTE 20: EVENTS AFTER REPORTING PERIOD

- On 31 July 2019, 10,000,000 unlisted options exercisable at 1.215 cents each expired.
- On 7 August 2019, the Company announced to the ASX that it had received positive results in relation to the performance ore sorting test program completed by TOMRA Sorting Solutions Mining on the Oropesa Tin Project in Spain. For further details on the results see the review of operations.
- On 22 August 2019, the Company received $500,000 upon a drawdown of the loan facility with the Non-Executive chairman Mr Andy Greig, see Note 7 for further details of the terms of the loan facility.

Other than the events noted above, there are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 21: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Elementos Limited at 30 June 2019. This information has been prepared using consistent accounting policies as presented in Note 1.

	30 June 2019 $	30 June 2018 $
Current assets	400,943	939,506
Non-current assets	5,398,504	5,377,077
Total assets	5,799,447	6,316,583
Current liabilities	121,376	76,337
Non-current liabilities	21,911	27,401
Total liabilities	143,287	103,738
Contributed equity	32,563,256	31,473,650
Reserves	430,935	119,849
Accumulated losses	(27,338,031)	(25,380,654)
Total equity	5,656,160	6,212,845
Loss for the period	(1,555,239)	(823,168)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(1,555,239)	(823,168)

The Company has no contingent liabilities, nor has it entered into any guarantees in relation to the debts of its subsidiaries (2018: nil).

The Company has not entered into any contractual commitments for the acquisition of property, plant and equipment (2018: nil).

NOTE 22: DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There are no franking credits available to the shareholders of the Company.

Directors' Declaration

The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, including:

    a. complying with Australian Accounting Standards and Interpretations which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date.

2. The chief executive officer and chief financial officer have each declared under section 295A that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b. the financial statements and notes for the financial year comply with the Australian Accounting Standards and Interpretations; and

    c. the financial statements and notes for the financial year give a true and fair view.

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

This declaration is made in accordance with a resolution of the board of directors.

Chris Dunks
Director

16 September 2019
Brisbane, Queensland

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INDEPENDENT AUDITOR'S REPORT

To the members of Elementos Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Elementos Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration and evaluation assets

Key audit matter	*How the matter was addressed in our audit*
Refer to Note 5 in the financial report. The Group carries exploration and evaluation assets as at 30 June 2019 in relation to the application of the Group's accounting policy for exploration and evaluation assets. The recoverability of exploration and evaluation asset is a key audit matter due to: • The significance of the total balance; and • The level of procedures undertaken to valuate management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ('AASB 6') in light of any indicators of impairment that may be present.	Our procedures included, but were not limited to, the following: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation and considering whether the Group maintains the tenements in good standing. • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest, assessing the Group's cashflow budget for the level of budgeted spend on exploration projects, and held discussions with Directors of the Group as to their intentions and strategy. • Enquiring of management, reviewing ASX announcements, and reviewing directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 16 to 22 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Elementos Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

D P Wright

Director

Brisbane, 16 September 2019