

ASX ANNOUNCEMENT

21st June 2018

MOU Temengor Tin Project, Malaysia

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce the signing of a non-binding Memorandum of Understanding (MOU) between Elementos and Empire Tin Mining Sdn Bhd (Empire) with the intent to finalise exclusive negotiations for a Farm-in and Joint Venture Agreement on the Temengor Tin Project in the state of Perak, Malaysia. The Temengor Tin Project is an exploration and development project centred on the historical Temengor Tin Mine, which is located approximately 250km to the north of Kuala Lumpur.

The Temengor Mine was operated as a hydraulic alluvial mining operation between 1926 and 1931 by the London Stock Exchange listed Temengor Tin Mining Company Limited. Up to ten monitors (water jets) were used to remove deeply weathered granite which contained sheeted quartz veins that contained tin mineralisation in the form of cassiterite. The tin was extracted from the material removed by hydraulic mining by a series of sluices or 'palongs'. Historical records indicate production from the mine was sporadic due to poor water supply. A conversion to hard rock mining was planned to commence in the early 1930's but was unsuccessful due to a shortage of capital during the Great Depression. Exploration and mining activity in the Temengor region became dormant during World War 2 and subsequent years due to adverse security conditions up until the 1980's. Archived records indicate that all hard rock exploration activities on the Temengor project area ceased in 1937. Road access to the region was cut-off by the construction of the Temengor Dam in 1978. The project area is covered by two exploration licences that cover a total area of 1950 hectares. Empire has exclusive rights to the transfer of the two exploration licences from Menteri Besar Incorporated, a Perak State owned investment corporation.

The Directors of Empire Tin Mining recognised the significance of the Temengor region for potential to contain a significant hard rock tin resource and successfully located the historical mine site in 2013 following detailed research of archived geological and company reports and historical newspaper articles.

Commenting on the MOU, Chief Executive Officer Chris Creagh said "This is an exciting opportunity for Elementos to develop what could be a substantial long-term tin producing asset for the company. Malaysia was the world's largest tin producer up until the mid-1980's, predominantly from alluvial dredging operations. The Temengor project has similar geological characteristics as the Rahman Hydraulic Tin Mine, which is 50km to the northwest of Temengor. Rahman Hydraulic is one of the few mines in Malaysia that converted from hydraulic to hard rock mining and is still operating today after 100 years of operations, producing 2,200 tonnes of tin in concentrate in 2017. The Temengor Project has the potential to provide Elementos with a significant pipeline of tin mining operations complementing the company's Cleveland Tin Project in Tasmania"

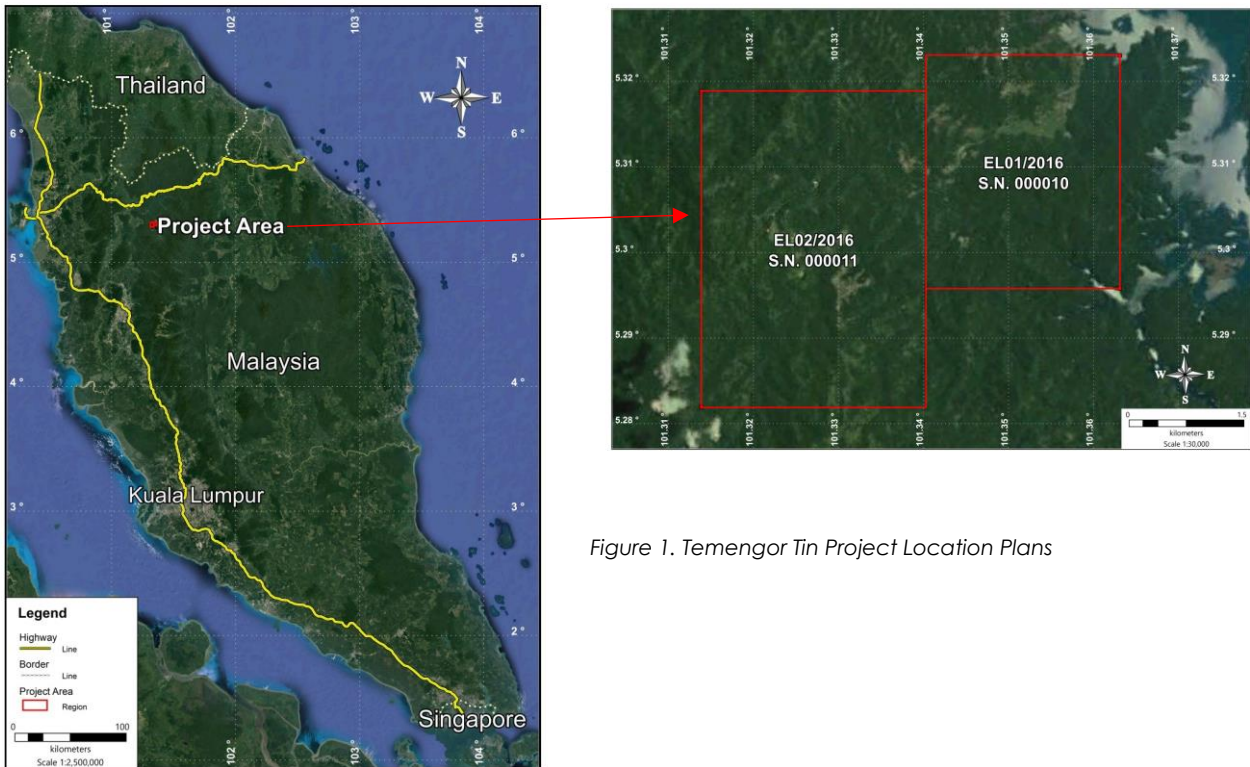


Figure 1. Temengor Tin Project Location Plans

Terms of the MOU

The MOU sets out the basis on which the parties intend to jointly work together to:

- Finalise a Farm-In and Joint Venture Agreement into the Temengor Tin Project, which is intended to be an exploration and development project consisting of two exploration licences, Exploration Licence numbers 01/2016 with serial number 000010 & 02/2016 with serial number 000011 in the State of Perak, Malaysia (Exploration Licences).
- Provide each party with assistance in finalising the transfer of 100% of the Exploration Licences to Empire from Menteri Besar Incorporated (Mb Inc.) in accordance with Mineral Development Act 1994, Mineral (Perak) Enactment 2003 and Mineral (Perak) Regulations 2008. Empire has not to date been transferred the Exploration Licences nor does it presently have any rights to them.
- Develop a detailed exploration and development plan, and budget for the Temengor Tin Project with particular emphasis on environmental management and employment of and impact on the people of Perak as important stakeholders in the project.
- Provide mutual assistance throughout the life of the Project at all levels including but not limited to Regulatory Approvals, Geoscience, Mineral Processing, Human Resources and Project Funding.
- Both parties have 30 days in which to formalise this MOU into a formal Farm-In and Joint Venture Agreement.
- From the date of transfer of the Exploration Licences, both parties intend to start the exploration work as soon as possible as according to Mineral Development Act 1994, Mineral (Perak) Enactment 2003 and Mineral (Perak) Regulations 2008.

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The MOU may be terminated by either party on written notice. The MOU provides a framework for co-operation towards potentially binding agreements regarding the Exploration Licences. Other than certain objections regarding confidentiality and public disclosure, the MOU is non-binding and the parties are not under any obligation to enter into definitive agreements with respect to the MOU. There is no guarantee that the parties will successfully negotiate and enter a binding farm-in and joint venture agreement or if they do, what the terms and conditions of those agreements will be. There is no guarantee that the Exploration Licences will be transferred to Empire.

The Company will now work towards finalising and executing definitive documents.



Figure 2. Temengor Project Area – historical alluvial mine site

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CAUTIONARY STATEMENTS
Forward-looking statements

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

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