Rockwell Minerals (Tasmania) Pty Ltd (ACN 127 819 710) is a wholly owned subsidiary of Elementos Limited (ACN 138 468 756).

Annual Report for:

EL7/2005

Cleveland Project

Report Period: 1 July 2017 to 30 June 2018

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Abstract

The Cleveland project continues to advance towards development. Current focus has been concentrated on increasing the potential open cut resources and improving metallurgical recoveries.

During the reporting period,19 diamond drill holes were completed for a total length of 1675.8 metres, 18 of which tested for extensions to the existing open cut resource and recently detected and modelled magnetic anomalies. One drill hole was planned as a metallurgical sample hole. This drilling programme was successful in intersecting several lode extensions, with particular reference to the Khaki and Henry's Lodes. The resource model will be updated to determine changes to the resources and the impacts on the design of a potential open cut mining operation.

Metallurgical testwork of the drill hole and recently collected bulk tailings samples are scheduled to be carried out during the next reporting period.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

APPENDICES

Appendix 1. EL72005_201806_02_Appendix1_MiraGeoscience Cleveland magnetic modelling report.pdf

Appendix 2. DIGITAL DATA

- *EL72005_201806_03_ Magnetic Target 1.DXF*
- *EL72005_201806_04_ Magnetic Target 2.DXF*
- *EL72005_201806_05_ Magnetic Target 3.DXF*
- *EL72005_201806_06_ Magnetic Target Dyke.DXF*
- *EL72005_201806_07_ SL_1.XLSX*
- *EL72005_201806_08_DG_1.XLSX*
- *EL72005_201806_09_DS_1.XLSX*
- *EL72005_201806_10_DL_1.XLSX*
- *EL72005_201806_11_Lithologycodes.XLSX*
- *EL72005_201806_12_Core Photos_C2100-C2118.JPG*
- *EL72005_201806_13_QC_1.PDF*
- *EL72005_201806_14_QC_2.PDF*
- *EL72005_201806_15_QC_3.PDF*
- *EL72005_201806_16_QC_4.PDF*
- *EL72005_201806_17_FileListing.XLSX*

1 INTRODUCTION

In early 2017 Elementos commenced the first exploration programme to be carried out at Cleveland for over 30 years since the underground mining operation was closed there by Aberfoyle Resources in 1986. Drill data collected prior to 1986 was digitised by Elementos and modelled to form the basis of the current resource on the project. This resource includes a small resource that can potentially be exploited using open cut mining methods.

During the reporting period Elementos completed a shallow diamond drilling programme to determine the potential for extensions to the open cut resource. Drill targets were generated from gaps in the historical exploration drill data between the modelled top of the mineralisation and the topographical surface. Three anomalies highlighted from 3D magnetic modelling were targeted for drill testing.

Drill core samples and bulk tailings samples were collected, and the metallurgical testwork is scheduled to be carried out during the next reporting period for improving metallurgical recoveries.

1.1 Licencing & Ownership

Exploration Licence 7/2005 was granted to Lynch Mining Pty Ltd on the 30th June 2005 for a period of 5 years. Rockwell Minerals Ltd acquired 100% ownership of EL7/2005 on the 6th of June 2014. Exploration Licence EL9/2006, was granted to Rockwell Minerals Ltd on 21st September 2007. An application was approved for the consolidation of EL7/2005 and EL9/2006 on the 30th of January 2015. EL7/2005 covers 55 square kilometres.

Rockwell Minerals (Tasmania) Pty Ltd ("Rockwell") is a wholly owned subsidiary of Elementos Limited ("Elementos").

1.2 Exploration and Development Objectives

The area surrounding the Cleveland Mine is known to host other occurrences of tin, copper, tungsten and base metal mineralisation related to Devonian-aged granite intrusive activity. The redevelopment of the Cleveland Mine (the "Project") and the identification of repetitions of this style of mineralisation is the primary focus of the company's exploration and development efforts.

The Company has continued to work on the development of a tailings retreatment and hardrock operation centred on the old Cleveland Mine. The Company has commenced an exploration programme that is targeting near surface resources that have the potential to be exploited by open cut mining methods. An expanded open cut mining strategy will lead to a more sustainable and longer life mining operation at Cleveland. The exploration during the reporting period has included the completion of a diamond drilling programme and a bulk tailings sample collection.

1.3 Location

The Cleveland Project is located at Luina about 80 km from Burnie in northwestern Tasmania. Access to the mine is by way of a sealed all-weather road, which runs from Burnie through Waratah and Luina to Savage River.

The topography around the mine is relatively steep and rugged with elevations ranging from about 300m to over 500m above sea level. The mine was developed beneath Crescent Hill which rises to an elevation of 520m while the former township of Luina, the former mine infrastructure and the tailings dams lie in the valleys of the Whyte River and Deep Creek.

Accessible power runs through the Cleveland Project area, and there is abundant water available for use. The region has a large, available, and experienced workforce.

The Datum used in this report is GDA94, Zone 55.

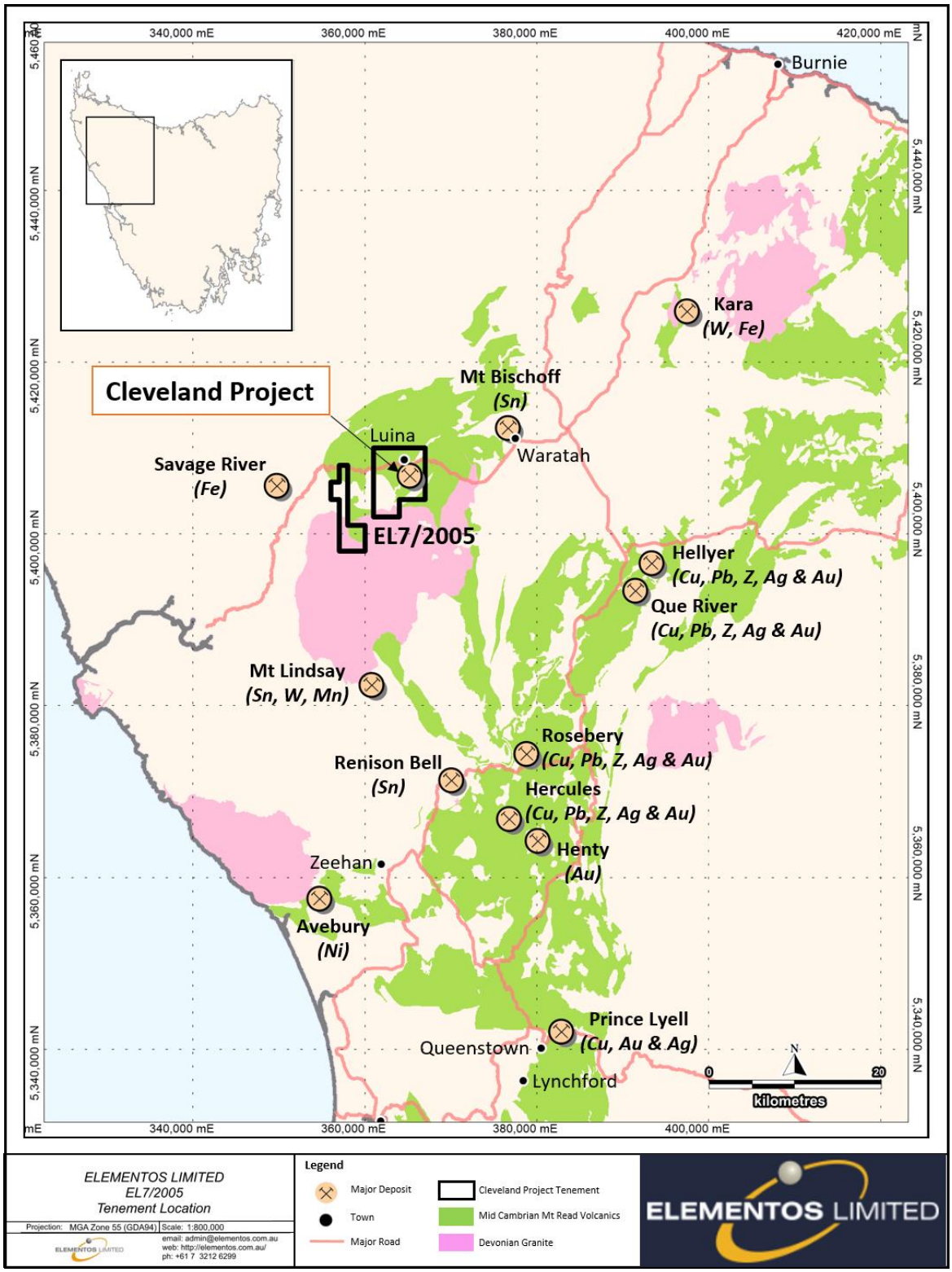

Figure 1 : Location Map

1.4 Geological Setting

The Cleveland Project mineralisation is located in the Dundas Trough of northwestern Tasmania. The tin and copper mineralisation (pyrrhotite-cassiterite-stannite-chalcopyrite) is hosted in semi-massive sulphide lenses within a series of sedimentary rocks belonging to Hall's Formation of Cambrian age. Hall's Formation forms a transitional sequence, lies between a basaltic lava sequence (Deep Creek Volcanics) to the southeast, and a turbiditic greywacke sequence (Crescent Spur Sandstone) to the northwest. The Hall's Formation has undergone intense deformation which has resulted in the sequence steeply dipping to the southwest, with possible syntectonic thrust faults displacing the sequence in places. The tin and copper lenses have strike lengths of up to 500 metres, across strike thicknesses of up to 30 metres and down-dip extents of up to 800 metres.

The semi-massive sulphide mineralisation it thought to have been formed by the hydrothermal replacement of limestone beds by mineralising solutions associated with the emplacement of the Devonian-Carboniferous Meredith granite. The deposit is geologically similar to the tin bearing semi-massive and massive sulphide stratiform mineralisation at the Renison Mine, near Zeehan.

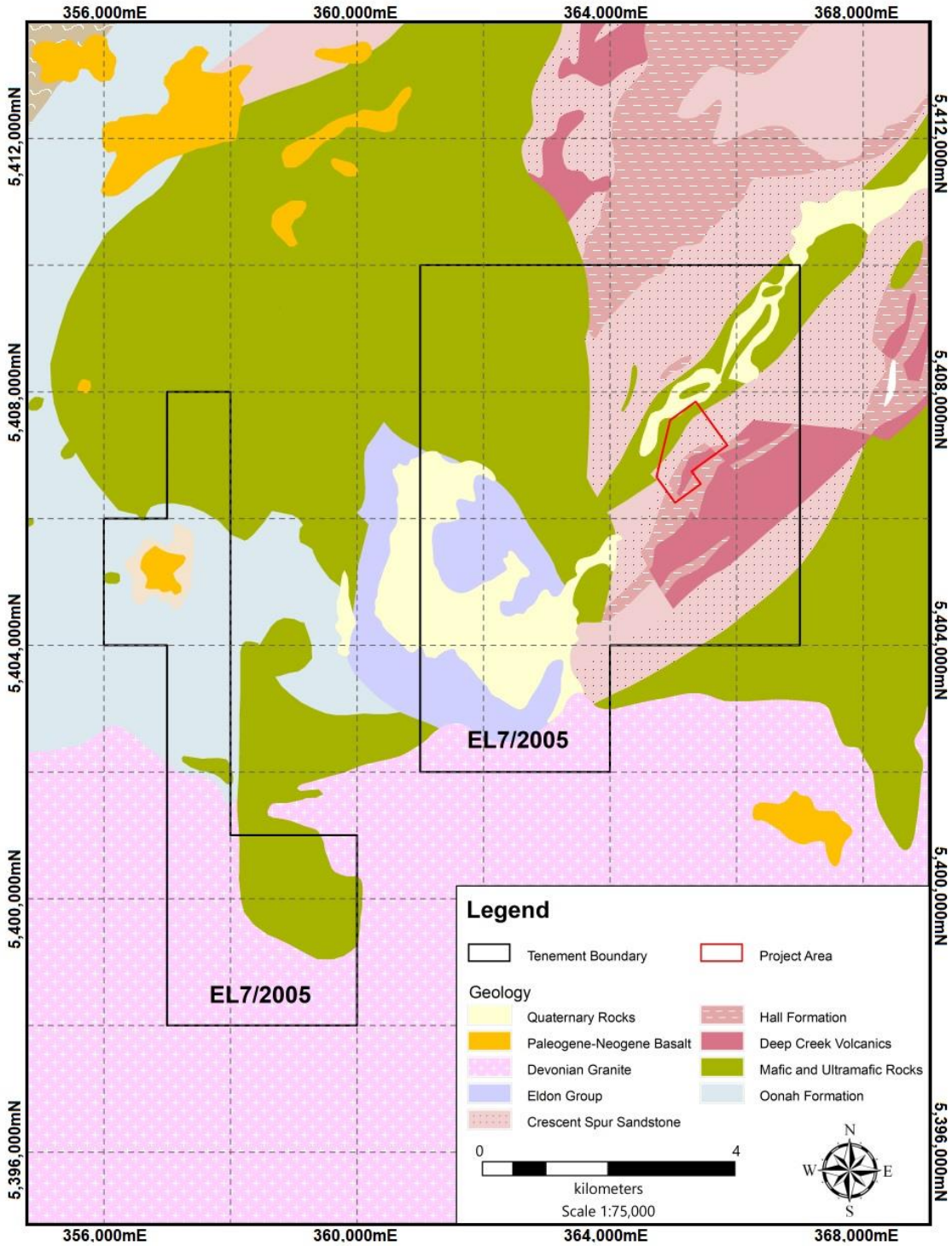

Figure 2 : Geological Map

2 REVIEW OF PREVIOUS WORK

2.1 Historical mining and exploration activities

The Cleveland deposit was discovered in 1898. Initial production of the surficial ore commenced in 1908, and ceased in 1914 after production of 295.5 tonnes of cassiterite. Tributing continued until 1917, during which time a further 48 tonnes were produced.

Historical mining and exploration activities included:

- (1898) S.C. Coundon, Prospector: Pegged leases over gossan for possibility of silver and lead;
- (1900) Harcourt Smith: Government Geologist, Department of Mines, Tasmania. Identified cassiterite in gossan;
- (1908 –1917) Cleveland Tin Mining Company N.L.: Mined oxidised ore for tin;
- (1923) A.M. Reid: Government Geologist, Department of Mines, Tasmania. Recognised fissure lodes and replacement lodes;
- (1935 -1937) Mount Bischoff Tin Mining Company: Small-scale underground exploration: Battery, Smithy, Lucks, Khaki, Hall's, Henry's recognised;
- (1937) Q.J. Henderson: Government Geologist, Department of Mines, Tasmania. Described the work undertaken by the Mount Bischoff Tin mining Company;
- (1945) S.W. Carey: Government Geologist, Department of Mines, Tasmania. Reported all deposits were of replacement style;
- (1952 -1954) T.D. Hughes: Government Geologist, Department of Mines, Tasmania. Postulated that the ore would continue in depth. Recommended cutting of a grid and geophysical surveys;
- (1953-1954) O. Keunecke and K.H. Tate: BMR Commonwealth of Australia. Concluded self-potential and magnetic surveys anomalies suggested that sulphide mineralisation might extend beyond the old workings.

2.2 Modern Mining at Cleveland

After exploration and development activities in the early 1960's, Aberfoyle Limited ("Aberfoyle") opened the Cleveland Mine, an underground tin and copper mine, which operated between 1968 and 1986. During the life of the Cleveland operations, Aberfoyle mined and treated 5.7M tonnes of ore for a production of approximately 24,000 tonnes of tin and 10,000 tonnes of copper in concentrate.

The Cleveland mine was operated successfully due to its low-cost mining method. When in operation, Cleveland was considered 'state of the art', being one of the first tin mines to utilise trackless mining technologies. Aberfoyle mined ore from open-stopes between levels, which were 15 metres apart vertically. Ground conditions were such that stopes did not require filling, indicating excellent ground conditions.

Mine development extended to 400 metres below the surface with the underground decline and drives still in place today. This provides low cost access for the Company to the remaining tin, copper and tungsten mineralisation.

Historical mining at Cleveland also produced a tailings legacy that Lynch Mining Pty Ltd ("Lynch Mining") recognized as a potential economic resource. Elementos, through its subsidiary, Rockwell Minerals, purchased the project from Lynch Mining and proposes to reprocess these tailings as part of its larger strategy for the redevelopment of the Cleveland Mine.

The tailings are stored above ground on-site in two tailings dams. The tailings contain a substantial quantity of recoverable tin and copper due in part to operational inefficiencies and technical limitations of tin processing whilst the mine was in operation.

Modern exploration, development and mining actives have included:

- (1961-1965) Aberfoyle Tin Development Partnership: Explored the area with diamond drilling and proved up sufficient resources for mining;
- (1968 -1986) Cleveland Tin N.L. and Aberfoyle Limited: Mined tin and copper ore;
- (2007) Lynch Mining Pty Ltd: 30 air core holes, for a total length of 561m, drilled to test tailings dams.

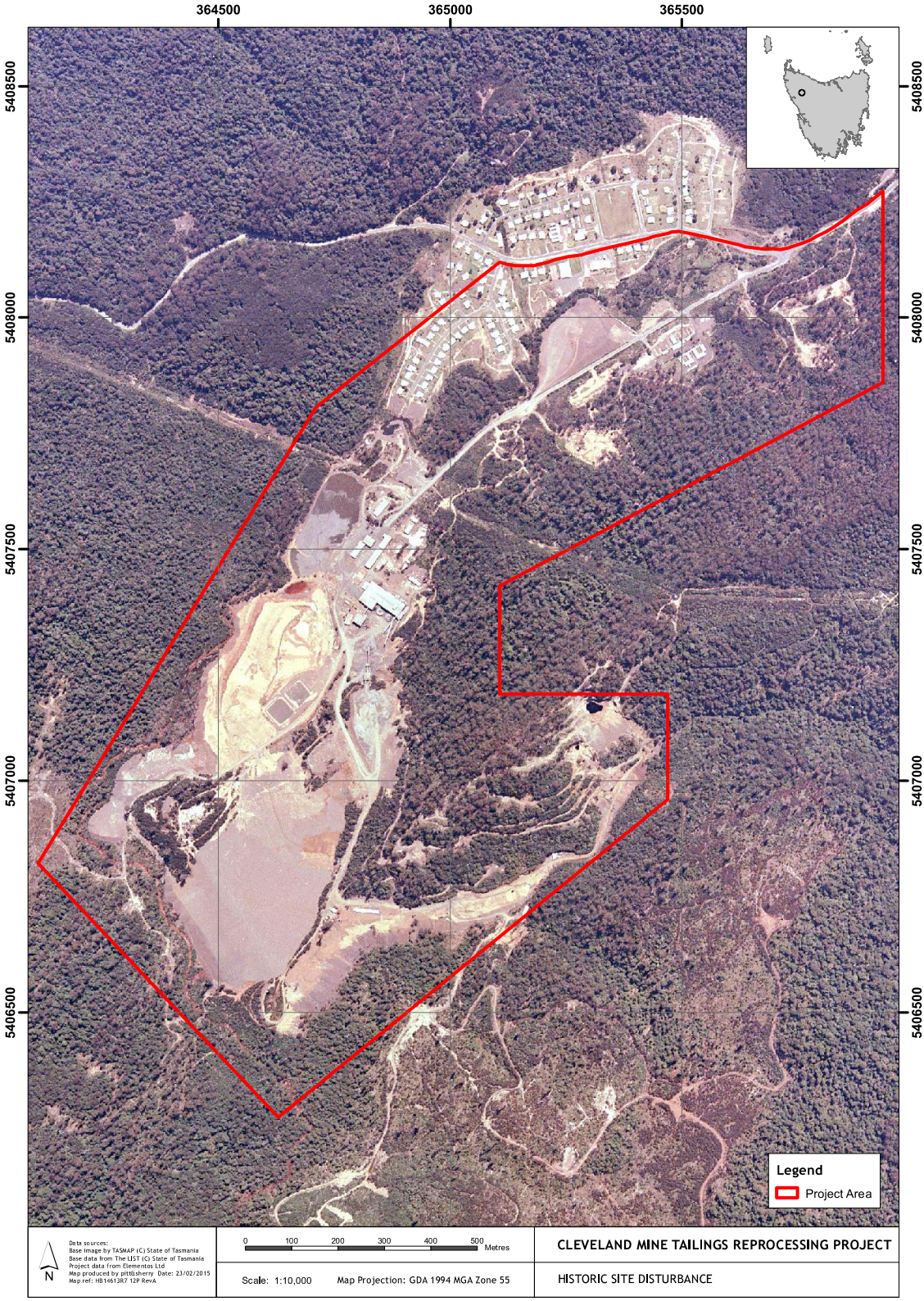

Figure 3 : Cleveland Mine before closure in 1986

2.3 Recent Exploration and Development Activities

Elementos has undertaken significant activities for the redevelopment of Cleveland. During the 2013 – 2014 period, the Company completed full modelling and digitisation, utilising historic data, of the previously operated mine, including mined stopes.

Other activities included:

- Environmental permitting and approvals process activities including water monitoring, flora and fauna studies and other supporting studies such as traffic management;
- Drilling of the tailings resource was undertaken;
- Detailed surveying of the tailings resource was completed;
- A LIDAR survey was flown;
- Preliminary engineering on infrastructure and tailings storage facilities was completed;
- Preliminary metallurgical testing was undertaken;
- The Company announced Mineral Resource upgrades for both the tailings and underground resources, reported in accordance with JORC 2012 (see Cleveland Mineral Resources;
- The Company announced a Mineral Resource for the Open Pit mineralisation, reported in accordance with JORC 2012 (see Cleveland Mineral Resources);
- Rock chip sampling and surface sampling was completed.
- Acid Mine Drainage Legacy Studies and New Tailings Storage Facility Options Study.
- Metallurgical testwork.
- Prefeasibility study of the technical and economic viability of the reprocessing of tailings at Cleveland.
- Enhanced metallurgical testwork of tailings
- Construction of an exploration grid
- Geological mapping for potential extensions to the open cut resource
- Ground magnetic survey completed
- Planning for a shallow exploration diamond drilling programme completed

For a detailed description of previous work carried out by Elementos Limited please refer to previously submitted annual reports for exploration for EL7/2005.

2.4 Cleveland Mineral Resources

Table 1: JORC Mineral Resources[1]

Tailings Mineral Resources (at 0% Sn cut-off)			
Category	Tonnage	Tin Grade (Sn)	Copper Grade (Cu)
Indicated	3.8 Mt	0.30%	0.13%

Open Pit Tin and Copper Mineral Resource[2]

Open Pit Tin and Copper Mineral Resources (at 0.35% Sn cut-off)			
Category	Tonnage	Tin Grade (Sn)	Copper Grade (Cu)
Indicated	0.8 Mt	0.81%	0.27
Inferred	0.01 Mt	0.99%	0.34

Underground Tin and Copper Mineral Resource[3]

Underground Tin and Copper Mineral Resources (at 0.35% Sn cut-off)			
Category	Tonnage	Tin Grade (Sn)	Copper Grade (Cu)
Indicated	4.2 Mt	0.67%	0.28%
Inferred	2.4 Mt	0.56%	0.19%

Underground Tungsten Mineral Resource[4]

Underground Tungsten Mineral Resources (at 0.20% WO3 cut-off)		
Category	Tonnage	Tungsten Grade (WO3)
Inferred	4 Mt	0.30%

[1] Announced in accordance with the JORC Code 2012 to the ASX on 17 June 2014 "Cleveland Tailings Resource Upgrade"

[2] Announced in accordance with the JORC Code 2012 to the ASX on 3 March 2015 "Cleveland Open Pit - High-Grade Mineral Resource Defined"

[3] Announced in accordance with the JORC Code 2012 to the ASX on 3 March 2015 "Cleveland Open Pit - High-Grade Mineral Resource Defined"

[4] 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.

3 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

3.1 3D Ground Magnetic Modelling

The tin mineralisation at Cleveland occurs largely as cassiterite within a replacement sulphide orebody hosted by a carbonate rich sedimentary horizon. The sulphide mineralisation contains pyrrhotite, which is magnetic.

The Company commissioned Mira Geoscience, of Brisbane, to carry out magnetic modelling of three magnetically anomalous areas/bodies that resulted from a ground magnetic survey that was completed at Cleveland in January 2017. The 3D modelling was required for determining the location and orientation of the magnetic anomalies, to assist in drill hole design.

A fourth target, identified from geological mapping as a mafic dyke, was also assessed. The aim being to identify anomalies along the dyke which may potentially be associated with mineralisation.

3D wireframes were developed for each of the defined targets. An overview of the modelled wireframes is illustrated in Figure 4 and shown with respect to the LIDAR topographic surface. A report on the 3D ground magnetic modelling can be found in Appendix 1 (EL72005_201806_02_Appendix1_MiraGeoscience Cleveland magnetic modelling report.pdf) with DXF format in Appendix 2.

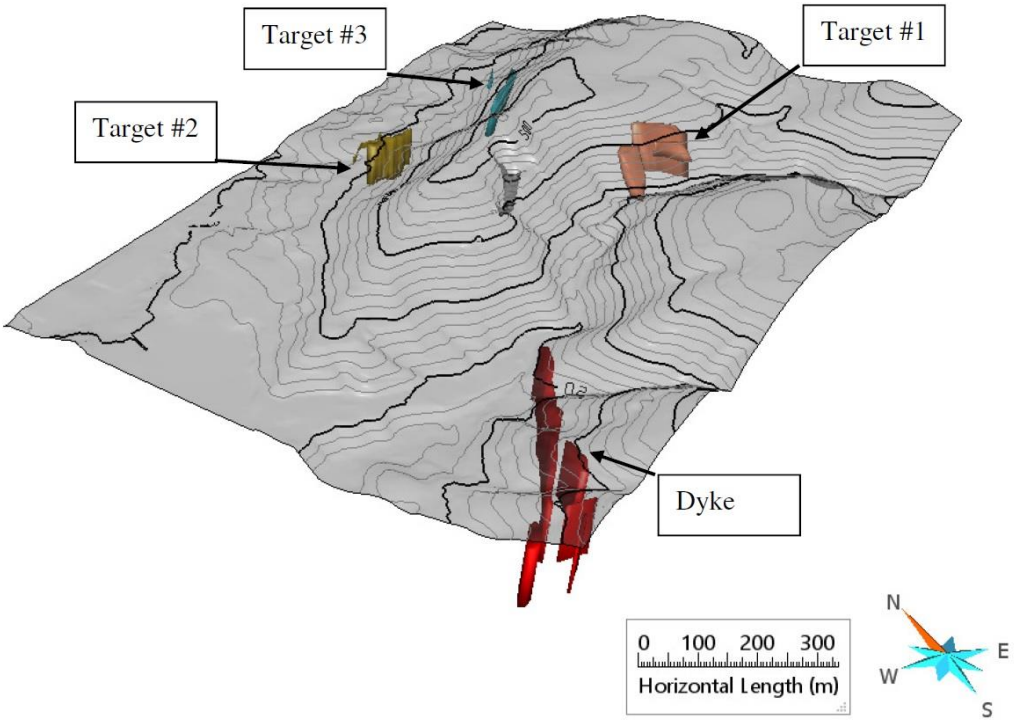

Figure 4 : Locations of the magnetic modelled targets.

3.2 Drilling

A shallow exploration diamond drilling programme was planned to determine the potential for extensions to the current open cut resource. This drilling programme completed nineteen (19) diamond drill holes for a total of 1675.8m. 13 drill holes were strategically located to target infill and extension mineralisation around the existing open-cut resource. 5 drill holes were targeted at testing the three anomalies highlighted from the 3D magnetic modelling. One drill hole (C2116) was planned to collect sufficient sample to carry out metallurgical testwork. The majority of these holes were oriented at true azimuths 312°. Drill core samples from selected intervals were analysed at ALS Laboratory in Burnie. Sn, Cu and WO3 were tested by ME-XRF15 for all exploration samples, where samples with Sn greater than 0.1%, Pb, Zn, As, soluble Sn etc. were analysed by ME-ICP41.

Analysis of the drill cores indicates that the sulphide lenses/carbonaceous units are closely associated with chert units within the Hall's formation, which can be used as a marker horizon for drilling operations. The drilling results for each lode/anomalies being targeted is provided as follows.

At the time the report was written, all drill core and cuttings are being stored at Elementos's processing facility in Waratah.

- **Henry's Lode:**

Henry's Lode was interpreted as several separate lenses in lieu of a single continues lode, based on the available historical drill holes and mining data. Two out of five planned drill holes (C2100, C2101, C2107, C2113, and C2114) intersected this lode, these being C2107 and C2113.

The mineralised zone of C2107 visually consisted of predominantly veinlet and interstitial sphalerite with minor pyrrhotite and pyrite, accompanied by fuchsite and chlorite alteration.

Drill hole C2113 targeted a northeastern extension of the Henry's lode. The drill hole intersected a very broken, weathered sandstone and quartz vein section, including 3m @ 2.21% Sn and 0.27% Cu (poor core recovery places some doubt on the true width of this intersection).

Drill holes C2100 and C 2101 did not intersect any significant mineralisation. The lithology in these two drill holes was predominantly basalt, which indicates a more active geological depositional environment in this region compared to other sections of the Henry's Lode.

Drill hole C2114 was drilled between C2100 and C2113. Some 30cm+ quartz veins with minor sulphides intersected throughout the hole, the lode not intercepted.

A sixth hole, C2115 was planned to target the east extension of Khaki Lode, no significant mineralisation intercepted at interpreted depth. However, the drill hole was extended from the originally planned 60m depth where a 12.7m Zn rich mineralized zone was intersected at 61.3m, including 1.5m @0.83% Sn, 10.36% Zn and 0.76% Cu. This deeper lode has been interpreted as the Henry's Lode, based on the lithological and mineralogical similarities with drill hole C2107.

- **Khaki Lode:**

Drill holes C2102-C2105 tested the extension of the Khaki Lode, with two holes intersecting the lode (C2102 and C2104). Mineralisation of C2102 and C2104 was visually made up of pyrrhotite, pyrite, chalcopyrite, and less sphalerite comparing with Henry's lode.

Drill hole C2105 targeted the Khaki Lode above C2104. No significant mineralisation was intercepted.

Drill hole C2103 had to be terminated without encountering any mineralisation after intersecting an undocumented shallow historical underground working, probably from the period of mining that occurred between 1908 and 1917.

- **Hall's Lode**

Drill hole C2106 targeted Hall's Lode. Two lodes were intercepted. The first lode was a 1m zone intersected at 44.5m, with the mineralisation being similar to the Khaki lode (pyrrhotite + pyrite + chalcopyrite). The second mineralised zone commences at 59.5m and terminates abruptly at 60m in an open void, interpreted to be an historical underground drive.

- **Battery's Lode:**

Small lodes intersected by the drill holes C2108 and C2109, were interpreted to be the Battery's Lode. This lode is close to the extremities of the proposed open cut operation and the adjacent river. The relatively deep, narrow and low grade results from these two drill holes do not warrant any further investigation of this area until underground development is considered.

- **Magnetic anomalies**

No significant mineralisation intercepted. The magnetic materials intercepted by the drill holes are:

- magnetic basalt and sandstone at anomaly one,
- weakly magnetic basalt at anomaly two, and
- magnetic basalt and volcaniclastics at anomaly three.

A brief summary log including significant assay results is shown below (Table 2). Figure 5 show these intersections on a plan map.

All digital data, including surveyed collar locations, orientation surveys, geological logs, core photographs, analytical results and QAQC data can be found in Appendix 2.

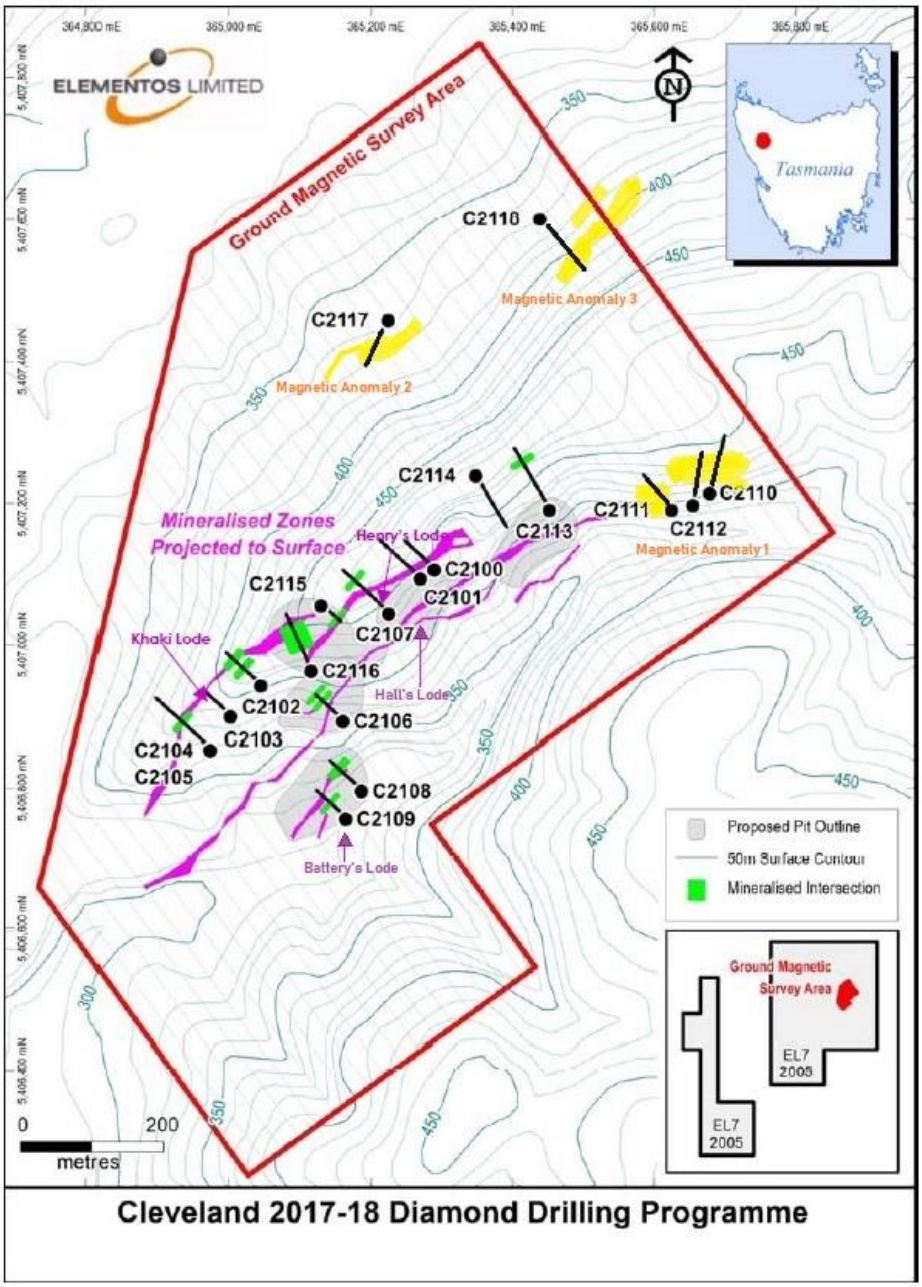

Figure 5 : Diamond Drilling Mineralised Intercepts

ID	Easting GDA94	Northing GDA94	RL	Azimuth True	Dip	Total Depth	Target	Results
C2100	365286	5407111	443	312	-35	68.9	Henry's Lode	No significant mineralisation intersected
C2101	365269	5407095	446	312	-30	89.7	Henry's Lode	No significant mineralisation intersected
C2102	365045	5406939	406	312	-15	67.9	Khaki Lode	3.9m @ 0.49% Sn & 0.15% Cu from 32.1m, and 4.5m @ 0.05% Sn & 0.05% Cu from 51m
C2103	365005	5406897	394	312	-15	47.8	Khaki Lode	No significant mineralisation intersected
C2104	364976	5406858	369	312	-40	107.7	Khaki Lode	3.9m @ 0.78% Sn & 0.25% Cu from 67.1m
C2105	364975	5406859	370	312	-5	104.4	Khaki Lode	No significant mineralisation intersected
C2106	365157	5406885	372	312	-30	60	Hall's Lode	1.0m @ 0.59% Sn & 0.72% Cu from 44.5m, and 0.5m @0.49% Sn & 0.05% Cu from 74.2m
C2107	365225	5407047	454	312	-30	101.2	Henry's Lode	2.0m @ 0.61% Sn & 0.34% Cu from 74.2m
C2108	365186	5406794	313	312	-45	84.5	Battery's Lode	8.0m @ 0.05 Sn from 57.0m & 2.0m @ 0.49% Cu from 61.5m
C2109	365162	5406762	314	312	-55	97.4	Battery's Lode	0.9m @ 0.48% Sn & 0.08% Cu from 50.7m
C2110	365686	5407227	410	15	-5	79.9	Ground Magnetic Anomaly One	No significant mineralisation intersected
C2111	365630	5407194	404	320	-25	68.3	Ground Magnetic Anomaly One	No significant mineralisation intersected
C2112	365654	5407202	405	10	-30	80.5	Ground Magnetic Anomaly One	No significant mineralisation intersected
C2113	365453	5407198	426	330	-5	98.3	Extension of Henry's and Khaki Lode	3.0m @ 2.21% Sn & 0.27% Cu from 75.0m
C2114	365347	5407240	490	150	-55	152.6	Extension of Henry's and Khaki Lode	No significant mineralisation intersected
C2115	365125	5407053	461	132	-60	74.4	Khaki Lode	12.7m @ 0.15% Sn, 2.04% Zn & 0.14% Cu from 61.3m Inc. 1.5m @ 0.83% Sn, 10.36% Zn & 0.76% Cu from 61.3m
C2116	365111	5406974	415	336	-3	86.3	Khaki Lode	Metallurgical sample. Series of ore lenses from 32.5 – 68.0m
C2117	365219	5407452	356	206	-38	92.6	Ground Magnetic Anomaly Two	No significant mineralisation intersected
C2118	365448	5407600	373	140	-31	113.4	Ground Magnetic Anomaly Three	No significant mineralisation intersected

Table 2 : Cleveland Diamond Drill Hole Summary Data.

3.3 Metallurgical Testwork

- **Metallurgical Drill Hole**

Drill hole C2116 was targeted at collecting a sample of Khaki Lode suitable for metallurgical testwork to confirm the hard rock processing circuit for the proposed open cut. A series of mineralised lenses were intersected over a 35.5m interval from 32.5m. The company will review the assay results and use it to composite a suitable sample for metallurgical testwork.

- **Bulk Tailings Sample**

Two bulk samples were collected from the two tailings dams to carry out additional processing testwork. The objective of this programme is to continue investigations into a method of recovering cassiterite from the tailings into a low grade concentrate, which would then be subjected to further processing to convert into a product suitable for sale.

Four sample sights were selected for this sampling programme, one on Tailings Dam 1 and three on Tailings Dam 2 (table 3, figure 6), which all had been sampled previously in August 2016. Four dark grey tailings samples were taken from each sight at different depths (up to 4.5m). The samples are currently stored at Waratah and scheduled to be sent to laboratories during the next reporting period.

ID	Easting_GDA94	Northing_GDA94
Sight 1	364620	5407222
Sight 2	364624	5406775
Sight 3	364647	5406678
Sight 4	364551	5406730

Table 3 : Coordinates of 2018 Bulk tailings sample sites

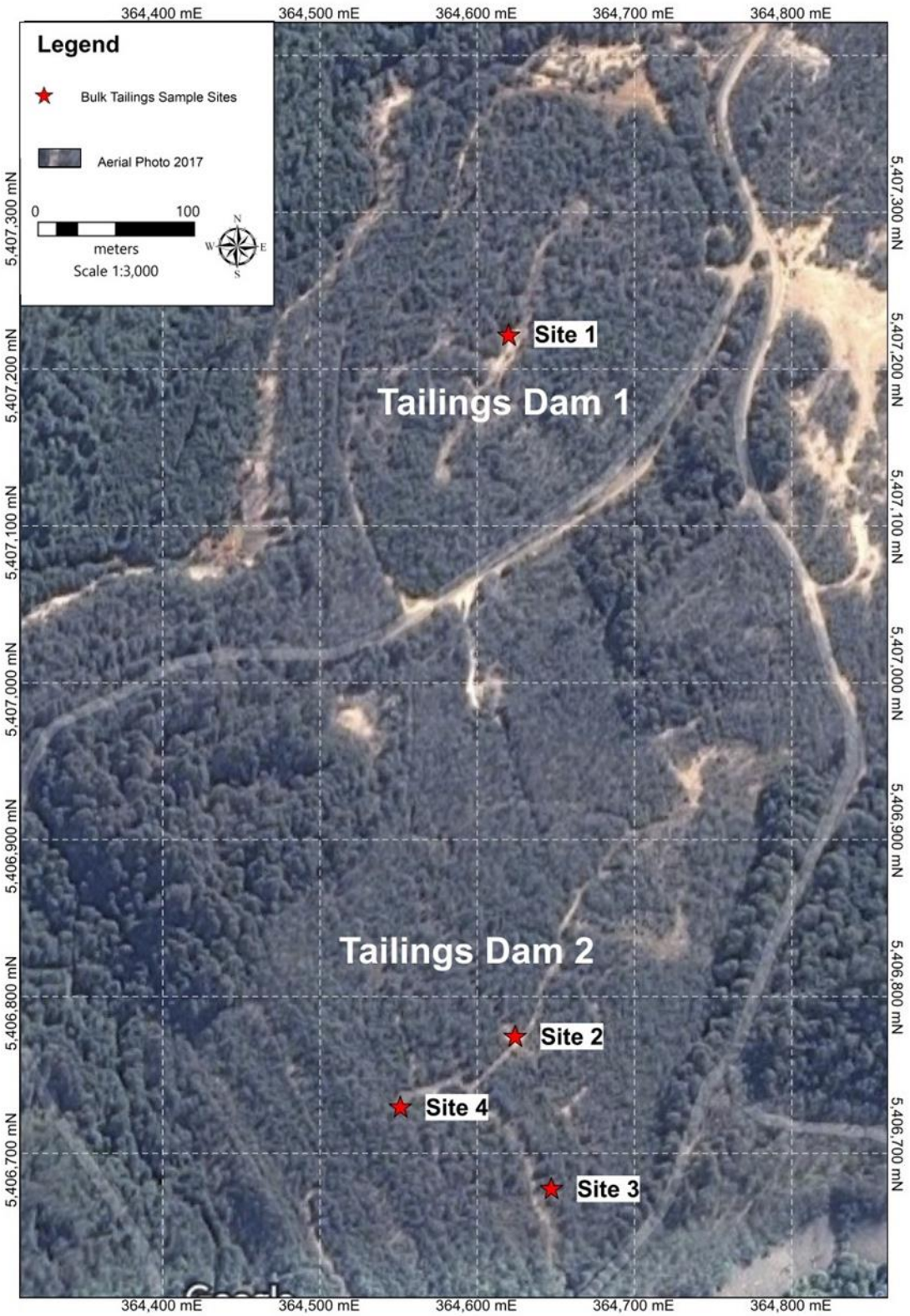

Figure 6 : Locations of 2018 Bulk tailings sample sites

4 DISCUSSION OF RESULTS

During the reporting period, a diamond drilling programme was carried out and was successful in intersecting several lode extensions along and across strike from the historical underground workings, with particular reference to the Khaki and Henry's Lodes. The resource model will be updated based on the assay results.

The accuracy of the location of the historical workings has resulted in two of the drill holes from the drilling campaign intersecting voids where mineralisation was predicted to occur. Fortunately, most drill holes were targeted correctly, taking into account the location of historical workings where they have been recorded. The level of accuracy of the digitised historical workings is subject to error due to the conversion of historical mine grids to the currently used Australian Metric Grid system, a process that requires three conversions.

Examination of the historical drilling logs has shown that sphalerite occurred within the sulphide lodes, but there is no record of Zn being assayed by previous workers. Zinc mineralisation intersected in the recent drilling programme varies in grade, with the most significant assay results being 1.5m @10.36% Zn in the Henry's Lode.

5 ENVIRONMENT

5.1 Environmental Impacts

There have been no environmental impacts recorded for the project during the reporting period. All exploration activity has been carried out in accordance with approved work programmes.

All drill holes have been temporarily caped with PVC collar and cap for later access.

6 EXPENDITURE

CATEGORY	AMOUNT
Geology	$13,586
Geochemistry	$11,264
Geophysics	$15,326
Gridding	$448
Drilling	$525,435
Land Access	$11,745
Feasibility Studies	$40,680
Other	$45,137
Administration	$66,362
TOTAL EXPENDITURE	$729,983

Table 4 : Exploration Expenditure for the period 1st July 2017 – 30th June 2018

Expenditure for the next reporting period is planned to be approximately $0.94m.

7 FUTURE WORK

The immediate programme of work at Cleveland will be focused on determining the changes to the geological resource model based on the drilling results and any impact that these changes may have on the design of a potential open cut mining operation.

Metallurgical testwork will be carried out on both the drill core samples and the tailings resources to determine tin recoveries utilizing modern processing techniques.

The records of the geotechnical information from the recent drill cores will be analysed for assisting any future mine development at Cleveland.