



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 2018 to 30 June 2019
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Abstract

The Cleveland project continues to advance towards development. Current focus has been concentrated on designing an open-cut/tailings retreatment mine plan and improving metallurgical recoveries.

During the reporting period, the company completed an update to the JORC Resource Estimate for hard rock resources for the Cleveland tin-copper project. There has been no change to the existing 2014 estimate for the tungsten resource and the tailings resource. The new 2018 resource estimate for Cleveland is 7.47 Mt @0.75% Sn and 0.3% Cu for 56,100t of contained tin metal and 22,200t of contained copper metal. The revised open pit resource contained tin content was increased by 168% from the previous estimate announced in 2014. Additional drilling in 2018 around the extents and within areas previously classified as inferred status has increased confidence in the resource.

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Appendix 2. DIGITAL DATA

- EL72005_201906_03_Geological Domains_bs_lens
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- EL72005_201906_06_Geological Domains_btw_lens
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- EL72005_201906_26_FileListing

1 INTRODUCTION

This report details all exploration work undertaken on Exploration Licence 7/2005, during the annual period 1st July 2018 to 30th June 2019.

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 a clearly defined strategy to restart operations at the historical Cleveland tin mine. The work completed to date will allow the company to move forward and commence a definitive feasibility study into a combined open-cut-tailings retreatment operation, with potential underground development to follow.

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.

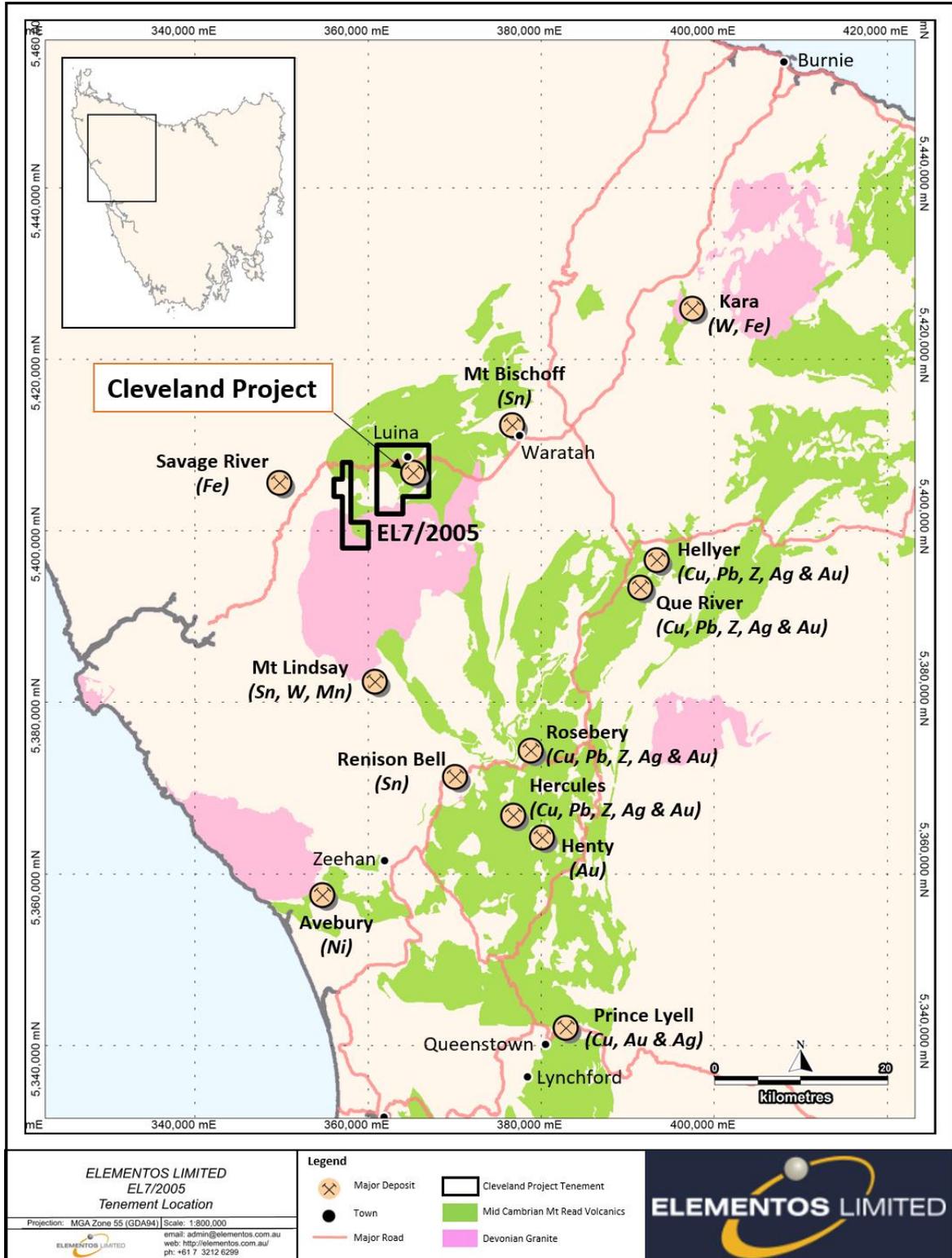


Figure 1: Location Map

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 is 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.

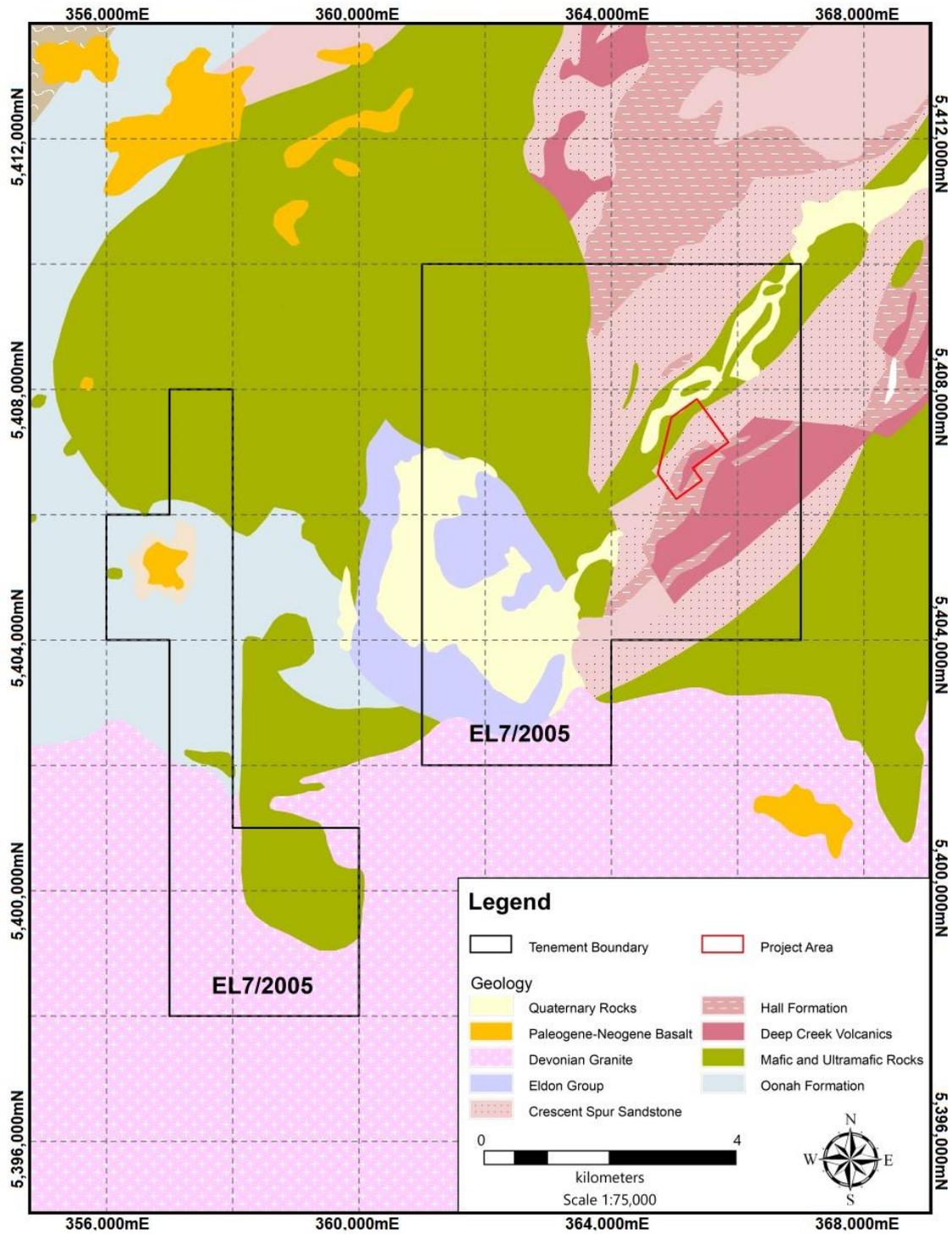


Figure 2: Geological Map

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 activities 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.

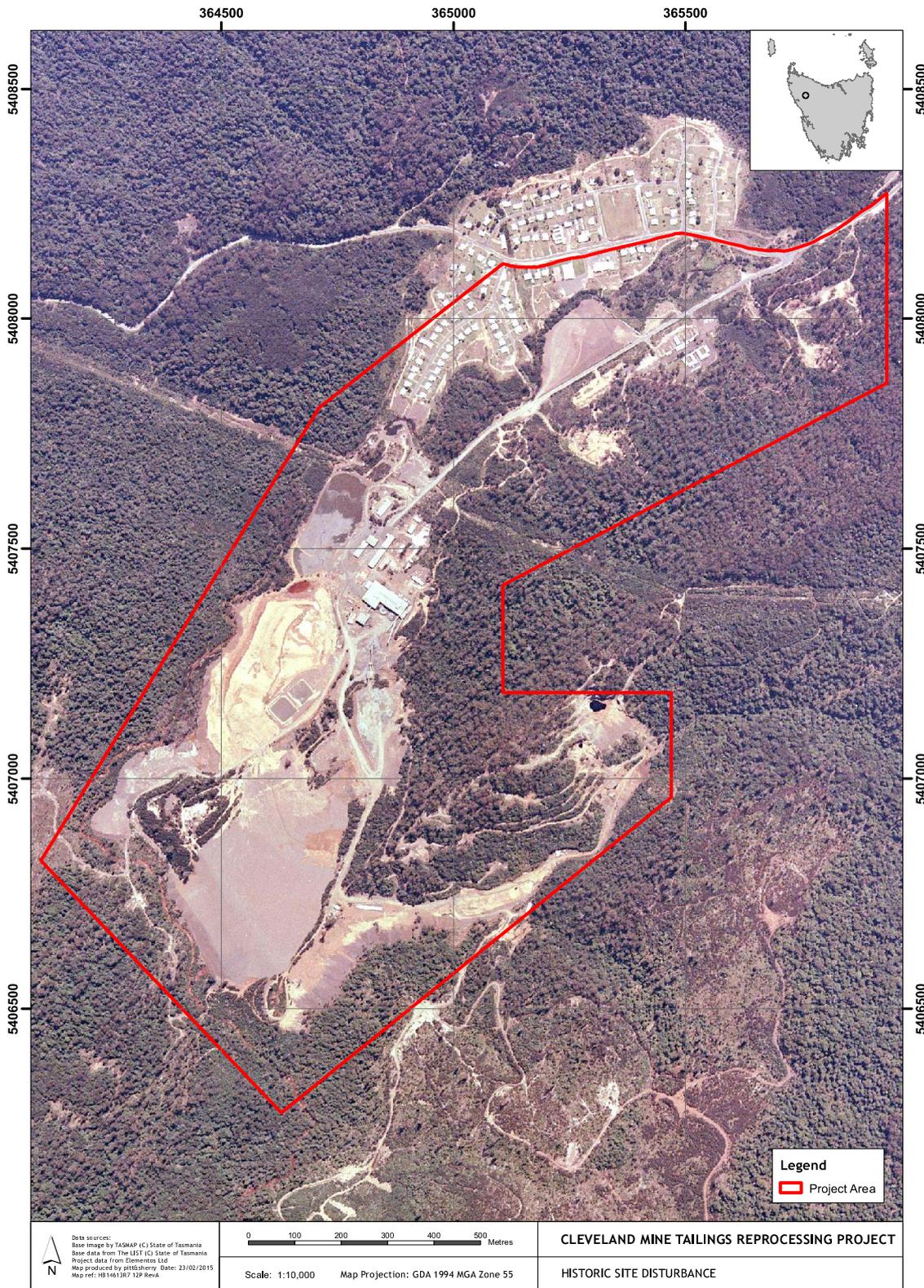


Figure 3: Cleveland Mine before closure in 1986

2.3 Recent Exploration and Development Activities

Elementos has undertaken significant activities for the redevelopment of Cleveland.

Activities included:

2013-14

- Full modelling and digitisation, utilising historic data, of the previously operated mine, including mined stopes;
- 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.

2014-15

- The Company announced Mineral Resource upgrades for both the tailings and underground resources, reported in accordance with JORC 2012;
- The Company announced a Mineral Resource for the Open Pit mineralisation, reported in accordance with JORC 2012;
- Rock chip sampling and surface sampling was completed.

2015-16

- 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.

2016-17

- Enhanced metallurgical testwork of tailings;
- Construction of an exploration grid;
- Geological mapping for potential extensions to the open cut resource;
- Ground magnetic survey was completed.

2017-18

- 3D Ground Magnetic Modelling was completed;
- 19 diamond drill holes were completed for a total length of 1675.8 metres;
- bulk tailings sample was collected.

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

3 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

3.1 Ore Reserves and Resources

Activities at the Cleveland tin-copper project during the reporting period were focused on the completion of an update to the hard rock JORC Resource Estimate following the completion of a diamond drilling programme. There has been no change to the existing 2015 estimate for the tungsten resource and the tailings resource, because no extra data has been obtained. The results are reported in accordance with the JORC Code (2012) and was independently prepared by Measured Group Consultants in Brisbane.

The review was undertaken following the recent completion of the diamond drilling exploration programme at Cleveland that was specifically targeting extensions and limits to the potential open pit resources. 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 redevelopment.

3.1.1 Sample Database

1910 out of 2059 diamond drill holes from the Aberfoyle database, and 19 recent exploration diamond drill holes completed by Elementos were used in the JORC resource estimation. More than 75000 assay points for tin and copper have been utilised in the assessment of the Cleveland resource. Historical diamond drill collar locations, drill hole surveys, assays, lode intercepts, historical mining voids and underground development data have all been converted to GDA94 Zone 55 datum. Topographical data has been used from a LIDAR survey carried out in 2013.

3.1.2 Method

The ore reserves and resources estimation was completed in Vulcan 3D software. A total of 20 geological domains were wireframed reflecting the geology and the Tin and Copper mineralisation. These wireframes were validated to ensure that no boundaries crossed over each other.

The block model parameters were determined by the orientation of the ore zones, the size of the geological zones and the sample intervals. The parent block sizes are 10x10x10 metres. Sub-blocks were used to ensure the block model honours the geometry of the domains. The sub-blocks are a minimum 1 metre in all directions.

Tin, copper and tungsten were interpolated into the block model via grade estimation editor in Vulcan. The grades were restricted to the search ellipsoid ranges based on the variography results. Ordinary Kriging was used to estimate grade into all domains.

3.1.3 Resource Statement

The 2018 resource estimate for Cleveland is 7.47 Mt @ 0.75% Sn and 0.3% Cu for 56,100t of contained tin metal and 22,200t of contained copper metal, at a Sn cut-off grade of 0.35%. The 2018 JORC Resource estimate is shown in Table 1.

A plan and cross section of the modelled potential open pit resource are illustrated in

Figures 4 and 5. The 2018 JORC Resource estimate report on Cleveland project can be found in Appendix 1 (EL72005_201906_02_Appendix1_Geology and Resource Estimate Report.pdf) with DXF format in Appendix 2.

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
TOTAL	1.89 Mt	0.95%	18,000t	0.34%	6,500t
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
TOTAL	5.58 Mt	0.68%	38,100t	0.28%	15,700t
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
TOTAL	7.47 Mt	0.75%	56,100t	0.30%	22,200t
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% WO₃ 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 changed since it was last reported.					
Table subject to rounding errors; WO ₃ = tungsten oxide					

Table 1: 2018 JORC Resource Estimate for the Cleveland Tin-Copper(Tungsten) Project.

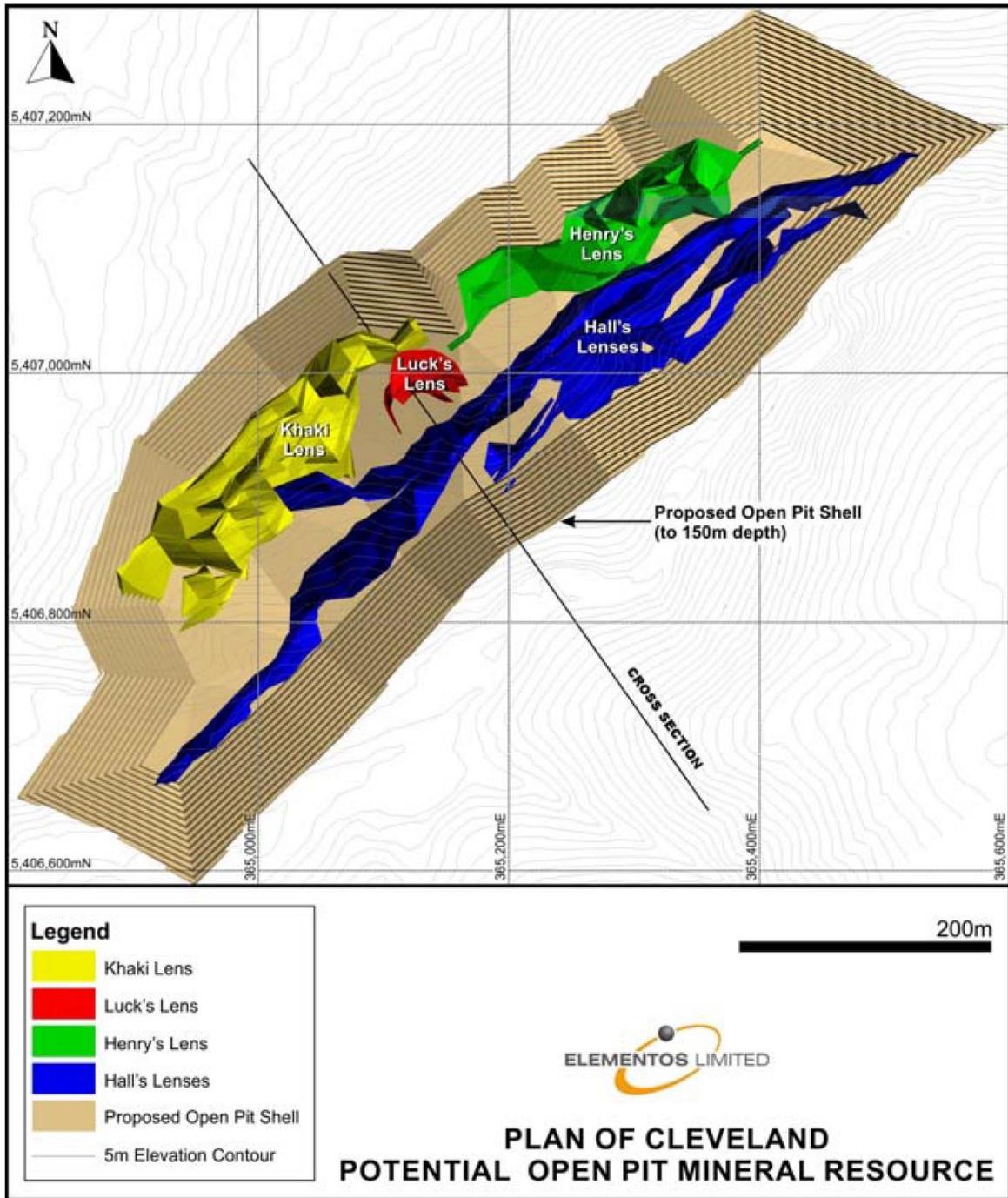


Figure 4: Plan of Potential Cleveland Open Pit Resource

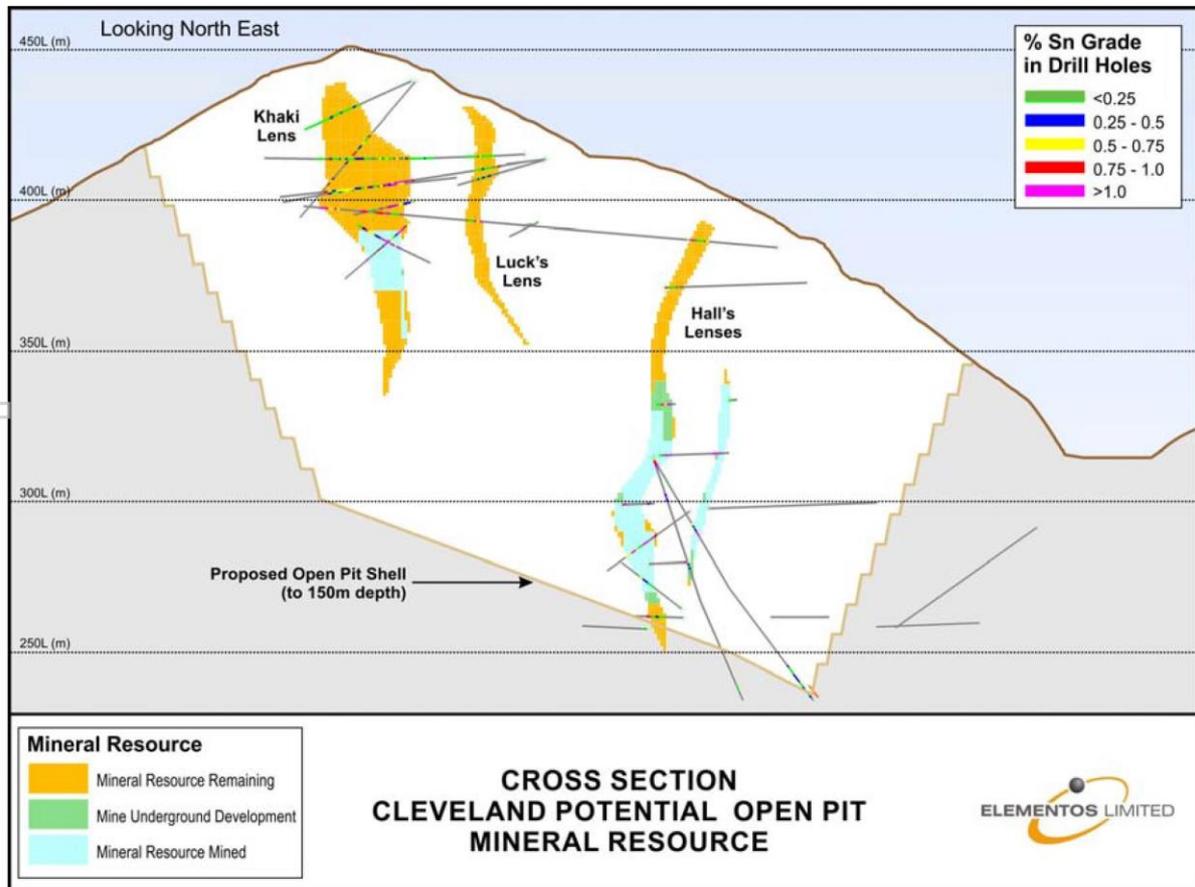


Figure 5: Cross section of Cleveland Potential Open Pit Resource.

3.2 Other Activities

During the period, the company completed a digitisation of the historical geological logs within the proposed open pit shell, dating from the early 1960's. This will enable the company to complete a detailed engineering study on a potential open pit mine design for Cleveland. The summary log can be found in Appendix 2.

The company has prepared a 107.5 kg lode sample for metallurgical test work from the recent exploration drill holes. The sample is currently stored at Waratah, Tasmania.

4 DISCUSSION OF RESULTS

The company continues to be encouraged by the results from the Cleveland Project. The open pit resource contained tin content has increased by 168% from the previous estimate announced in 2014. The total JORC hard rock resource contained tin increased by 15.8%, and contained copper increased by 20.4%. The significant upgrade in the revised JORC resource for the Cleveland Project can be viewed in Table 2.

Open Pit Tin-Copper Mineral Resource - September 2018 (at 0.35% Sn cut-off)					
	Tonnes	Sn Grade	Contained Sn	Cu Grade	Contained Cu
	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
2015 Estimate	0.83Mt	0.81%	6,707t	0.28%	2,324t
2018 Estimate	1.89 Mt	0.95%	17,955t	0.34%	6,426t
Difference	1.06Mt	0.14	11,248	0.05	3,800t
Change	128%	17.3%	168%	17.9%	164%

Total Tin-Copper Mineral Resource (at 0.35% Sn cut-off)					
	Tonnes	Sn Grade	Contained Sn	Cu Grade	Contained Cu
	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
2014 JORC	7.44Mt	0.65%	48,390t	0.25%	18,610t
2018 JORC	7.47 Mt	0.75%	56,030t	0.30%	22,410t
Difference	0.03 Mt	0.10	7,640t	0.05	3,800t
Change	0.35%	15.4%	15.8%	20.0%	20.4%

Table 2: Comparison between 2014 JORC estimate and 2018 JORC estimate.

The mineral resource upgrade resulted from modelling near surface ore lenses. This included the near surface "Henry's" lodes, that were not included in the previous resource estimate and increased resources resulting from the recently completed diamond drilling programme. A reduction in waste rock dilution was applied to 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.

5 ENVIRONMENT

5.1 Environmental Impacts

There have been no environmental impacts recorded for the project during the reporting period. There has been limited to no activity directly on site.

6 EXPENDITURE

CATEGORY	AMOUNT
Geology	\$192,849
Geochemistry	\$7,816
Feasibility Studies	\$13,785
Other	\$28,243
Administration	\$24,269
TOTAL EXPENDITURE	\$266,962

Table 3: Exploration Expenditure for the period 1st July 2018 – 30th June 2019

Expenditure for the next reporting period is planned to be approximately \$850,000.

7 FUTURE WORK

Future work at Cleveland will consist of metallurgical testwork on the recently collected lode sample and the bulk tailing sample to refine the processing flowsheet, mine design for the proposed combined open cut/tailings retreatment and technical assessment of suitable sites for mine operating infrastructure, which will include tailings dam location and design. This work will be critical to the completion of a feasibility study on developing a mining operation at the site.

Work is ongoing on the inclusion of recently digitised geological data into a detailed 3D geology model along Crescent Ridge. The model will be utilised in assisting sample collection for acid rock drainage assessments, mine design and waste dump design.