

20 June 2014

**2014 Renounceable Rights Issue**

Attached are the following letters sent to security holders of Elementos Limited (ASX: ELT) in relation to the previously announced pro-rata renounceable rights issue

1. Letter to Shareholders eligible to participate in the offer;
2. Letter to Shareholders ineligible to participate in the offer;
3. Letter to option holders.

**Paul Anthony Crawford**  
**Company Secretary**

Elementos is an Australian, ASX-listed, diversified metals company, including Cleveland, an advanced stage tin-copper and tungsten project in Tasmania, together with a number of prospective copper and gold assets in South America and Australia.

Please visit us at [www.elementos.com.au](http://www.elementos.com.au)

20 June 2014

Dear Shareholder,

### 2014 Renounceable Rights Issue

On 6 June 2014, Elementos Limited (ASX:ELT) (the **Company**) announced a pro-rata renounceable rights issue on the basis of 1 fully paid ordinary shares (**Offer Shares**) for every 5 fully paid ordinary shares held by shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) at 5.00 pm (Sydney time) on 26 June 2014 (Record Date), at an offer price of \$0.012 per **Offer Share (Offer)**. The offer seeks to raise up to approximately \$1.5 million. The offer price represents a discount of 20% to the 10 day volume-weighted average price of the Shares to 17 June 2014. Offer Shares will rank equally with all ordinary shares in the Company.

Eligible Shareholders who do not wish to take up all or some of their entitlement may sell or transfer their right to subscribe for Offer Shares held on the Record Date (Rights).

The Offer is being made pursuant to a "transaction specific prospectus" under section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

If you are an Eligible Shareholder you may also subscribe for Offer Shares in excess of your Rights (**Shortfall Securities**). Applications for Shortfall Securities will only be satisfied to the extent there is a shortfall under the Offer. The issue of Additional Offer Shares is at the discretion of the Company.

To the extent that the Rights under the Offer are not taken up by Eligible Shareholders, the Company may issue any shortfall at its discretion through a shortfall facility.

Paradigm Securities Limited (**Paradigm**) has been appointed as Lead Manager to the Offer and, after allocation to Eligible Shareholders, will assist the Company with the placement of any remaining shortfall shares. The Offer is underwritten to \$500,000.

The Offer is open for acceptance by Eligible Shareholders from 30 June 2014 until 5.00 pm (Sydney time) on 18 April 2014, subject to any variation of the timetable by the Company in accordance with the ASX Listing Rules and the Corporations Act.

This letter is not an offer document, but rather an advance notice of some key terms and conditions of the Offer. Full details of the Offer are set out in the Prospectus that will be mailed to Eligible Shareholders on or around 30 June, together with a personalised Entitlement and Acceptance Form.

Copies of the Prospectus will also be available for download on the Company's website and the ASX website.

## Purpose of the Offer

Proceeds from the offer will primarily be directed to the continued development of the Cleveland project and working capital.

## Important Dates

| Event  | Date         |
|--|--------------|
| Announcing of Issue  | 6 June 2014  |
| Lodge Rights Issue Prospectus and Appendix 3B with ASIC and ASX    | 20 June 2014 |
| Notice with information on the Offer sent to Eligible Shareholders | 23 June 2014 |
| Shares commence trading on ASX on an ex rights basis               | 24 June 2014 |
| Rights trading starts  | 24 June 2014 |
| Record Date  | 26 June 2014 |
| Dispatch Prospectus to Shareholders                                | 1 July 2014  |
| Offer Opening date   | 1 July 2014  |
| Rights Trading ceases  | 11 July 2014 |
| Offer Closing date   | 18 July 2014 |
| Issue of New Shares  | 25 July 2014 |
| Trading of New Shares on the ASX                                   | 26 July 2014 |

These dates are indicative only. The Company may vary these dates at any time, subject to the ASX listing rules, Corporations Act and other regulatory requirements.

## Paul Anthony Crawford Company Secretary

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20 June 2014

Dear Shareholder,

### 2014 Renounceable Rights Issue

On 6 June 2014, Elementos Limited (ASX:ELT) (the **Company**) announced a pro-rata renounceable rights issue on the basis of 1 fully paid ordinary shares (**Offer Shares**) for every 5 fully paid ordinary shares held by shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) at 5.00 pm (Sydney time) on 26 June 2014 (Record Date), at an offer price of \$0.012 per **Offer Share (Offer)**.

Eligible Shareholders who do not wish to take up all or some of their entitlement may sell or transfer their right to subscribe for Offer Shares held on the Record Date (Rights).

The Offer is being made pursuant to a "transaction specific prospectus" under section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Offer is being made to eligible shareholders with registered addresses in Australia or New Zealand pursuant to an Offer Booklet prepared in accordance with section 708AA of the corporations Act.

This letter is to inform you that you are not eligible to participate in the Offer. This letter is not an offer to issue new shares in the Company to you, nor an invitation to apply for Offer Shares. You are not required to do anything in response to this letter.

Shareholders who are eligible to participate in the Offer are those persons who:

- (a) are registered as a shareholder of the Company as at 5.00 pm (Sydney time on 27 March 2014; and
- (b) have a registered address in Australia or New Zealand.

The Company has determined, pursuant to section 9A of the corporation Act and Listing Rule 7.7.1 of the ASX Listing Rules, that it would be unreasonable to make the Offer to shareholders outside Australia or New Zealand (Ineligible Shareholders), having regard to the number of such shareholders and the costs in complying with the legal and regulatory requirements in those jurisdictions.

According to our records, you do not satisfy the eligibility criteria to participate in the Offer as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1, Elementos wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for Offer Shares under the Offer. You will not be sent the documents relating to the Offer.

In compliance with Listing Rule 7.7.1 and sections 9A, 708AA and 615 of the

Corporations Act, the Company has appointed Paradigm Securities Limited (Nominee) as an ASIC approved nominee, to arrange for the sale of the Rights which would have otherwise been granted to Ineligible Shareholders.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which your Rights may be sold and the manner in which any sale is made. Any interest earned on the proceeds of the sale of any Rights will firstly be applied against the expenses of the sale, including brokerage, and any balance will accrue to the Company.

The Nominee is required to direct the net proceeds (if any, after the payment of costs) to either the Company or the Company's share registry, Boardroom Pty Ltd, to facilitate pro rata payments of any net proceeds to Ineligible Shareholders.

The proceeds of the sale (if any, after payment of costs) will be paid in Australian dollars to the Ineligible Shareholders for whose benefit the Rights have been sold in proportion to their shareholdings.

Notwithstanding that the Nominee may sell Rights, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Neither the Company nor the Nominee will be liable for a failure to obtain any net proceeds, or to sell Rights at any particular price.

Please contact us if you would like further information regarding any of the above matters or any other matter associated with your Investment with Elementos.

On behalf of the Board of the Company and management, we regret that you are not eligible to participate in the Offer and thank you for your continued support.

**Paul Anthony Crawford**  
**Company Secretary**

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20 June 2014

Dear Option Holder

**2014 Renounceable Rights Issue - Letter to Option Holders**

On 6 June 2014, Elementos Limited (ASX:ELT) (the **Company**) announced a pro-rata renounceable rights issue on the basis of 1 fully paid ordinary shares (**Offer Shares**) for every 5 fully paid ordinary shares held by shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) at 5.00 pm (Sydney time) on 26 June 2014 (Record Date), at an offer price of \$0.012 per **Offer Share (Offer)**.

The offer seeks to raise up to approximately \$1.5 million. The offer price represents a discount of 20% to the 10 day volume-weighted average price of the Shares to 17 June 2014. Offer Shares will rank equally with all ordinary shares in the Company.

Eligible Shareholders who do not wish to take up all or some of their entitlement may sell or transfer their right to subscribe for Offer Shares held on the Record Date (Rights).

The Offer is being made pursuant to a "transaction specific prospectus" under section 713 of the *Corporations Act 2001* (Cth)

As at the date of this letter, you hold options over unissued shares in the Company. The purpose of this letter is to give you notice of the Offer to allow you to exercise your options before the Record Date should you wish to receive an entitlement to participate in the Offer in respect of shares issued upon the exercise of your options.

Under the terms and conditions of the options that you currently hold, there is no entitlement to participate in the Offer. If you do not wish to participate in the Offer in respect of your options, you do not need to take any action. If you wish to participate in the Offer (in respect of shares that would be issued to you on exercise of any of your options), you will need to exercise the appropriate number of your options prior to the Record Date to allow for the unissued shares to be issued to you.

This letter is not an offer or an invitation to acquire shares in Elementos or to participate in the Offer. If you are in doubt as to the action you should take in relation to this notice, you should consult your professional advisers

Yours sincerely  
**Elementos Limited**

**Paul Anthony Crawford**  
**Company Secretary**