14 July 2014

LARGE SILVER-LEAD-ZINC SOIL ANOMALIES IDENTIFIED SOUTH OF CLEVELAND

Highlights

- Two large base metal soil anomalies delineated over a wide area where previous high-grade selective samples included 553 g/t silver, 7.4% lead and 26.5% zinc
- Soil sampling assays include best results of 87.9 g/t silver, 0.38% lead and 1.43% zinc
- North West Tasmania is a world-class lead-silver-zinc province and Cleveland potential is largely untested using modern exploration techniques

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to report the results of a trial soil-sampling program undertaken two kilometres south of the Cleveland tin mine.

The aim of the soil-sampling program was to test a technique for identifying mineralised structures that are not clearly visible on surface over a wide area. The program followed up the previous results of an initial selective sampling program targeting discrete surface outcrops and historical mine mullock dumps. Soil anomalies are generally lower grade than rock chip anomalies because the chemical breakdown of minerals by weathering and further dispersion of metals from the source. A soil sampling program is useful to delineate anomalies in metals of interest with sufficient detail to allow drill target design in areas where mineralised trends are obscured by soil coverage.

The Company believes combination of the selective sampling program and this soil-sampling program demonstrates the strong base metal potential of the Godkin area, 2 km south of Cleveland project.

Given the success of the small-scale soil-sampling program, the Company plans to undertake a program in combination with geophysics over a wider area to delineate potential mineralised structures for drill targeting.

Details

Twenty soil samples were collected on a non-regular grid pattern at Godkin South and Godkin Extended. The sampling positions and significant sample assay results are shown on figures 1 and 2,

Godkin South

Sixteen samples were taken from an area of 150 metres by 100 metres in the vicinity of areas tested in the initial selective sampling program where assay results from mullock dumps included 553 g/t silver, 7.4% lead and 26.5% zinc and 518 g/t silver, 5.6% lead and 22.5% zinc.

Of the soil samples collected results up to 87.9 g/t silver, 0.38 % lead and 1.43 % zinc were obtained.

Godkin Extended

Four soil samples were taken 25 metres apart to test a 100 metre section, north-east of a gossanous area. The soil sampling area is located 200 metres north of the closest selective rock chip sampling undertaken previously.

Of the soil samples collected results up to 3.0g/t silver, 0.12% lead and 0.28% zinc were obtained.

Cleveland Lead-Zinc-Silver Potential

North-west Tasmania is a world-class minerals district and host to significant historical lead-zinc-silver mines including Hellyer, Roseby and Que River. These deposits are situated within 40 kilometres of the Cleveland tenements. Elementos controls 96km^2 of prospective tenements in the district with limited modern day exploration undertaken.

The Company's priority focus is the development of the Cleveland tin project. However, the new zones add an extra dimension to the Company's Tasmanian tenement portfolio. In the short-term, the Company will continue to undertake low–cost exploration activities to build a detailed understanding of the geological potential of the district.

The Cleveland area is underlain by a north-west trending belt of limestones in contact with sandstone, all intruded by small granite stocks amenable for carbonate replacement style mineralisation. Carbonate replacement mineralisation tends to generate larger mineralised bodies which may carry high-grade silver-lead-zinc deposits, as found in sampling in the mineralised limestones at Godkin South workings, where karst topography could be recognised on the surface around the remnants of the old workings (see ELT ASX release 7 March 2014).

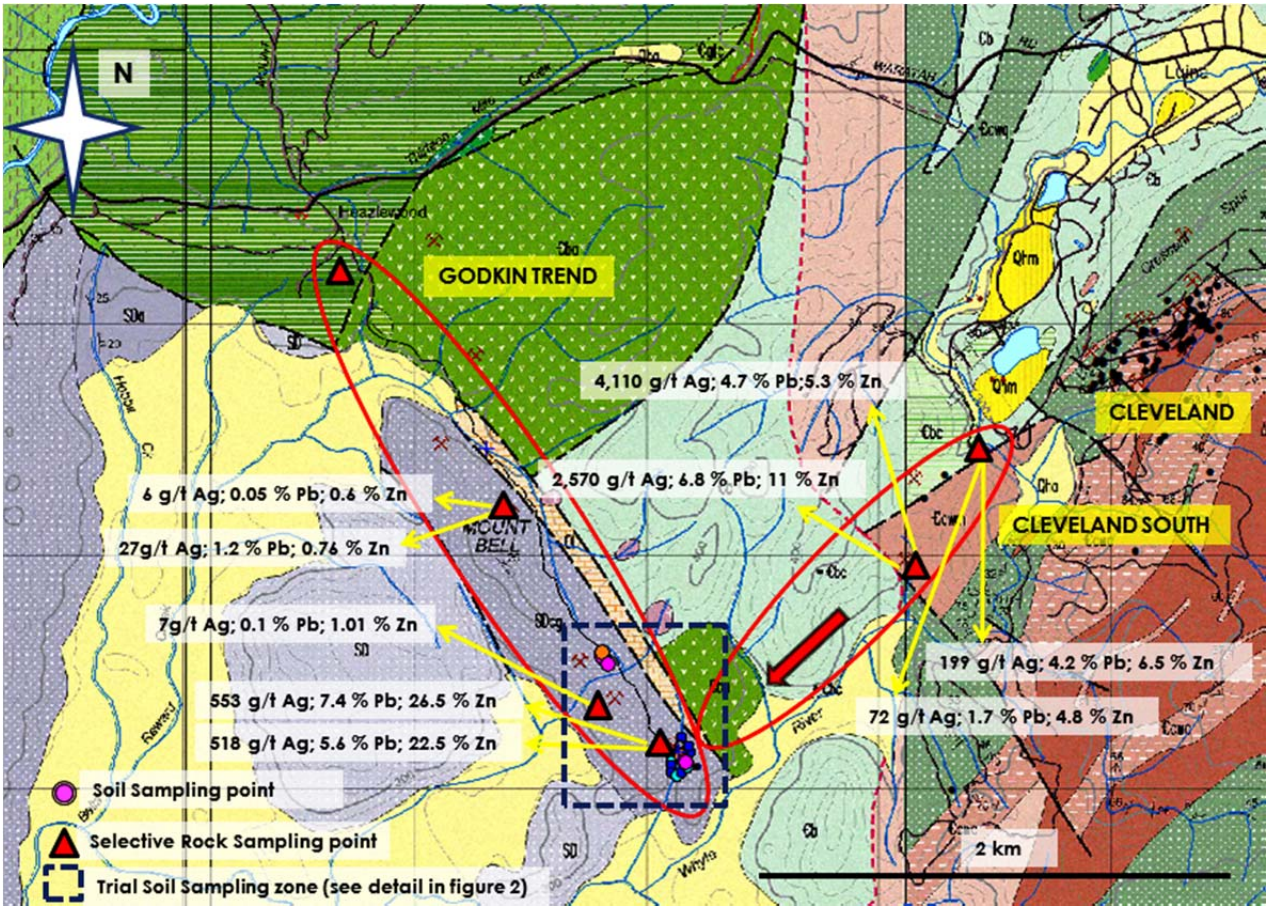

Figure 1: Trial soil sampling location (within dotted black square, see detail in Figure 2), with selective sample location and the two main structural trends identified at Godkin and Cleveland South.

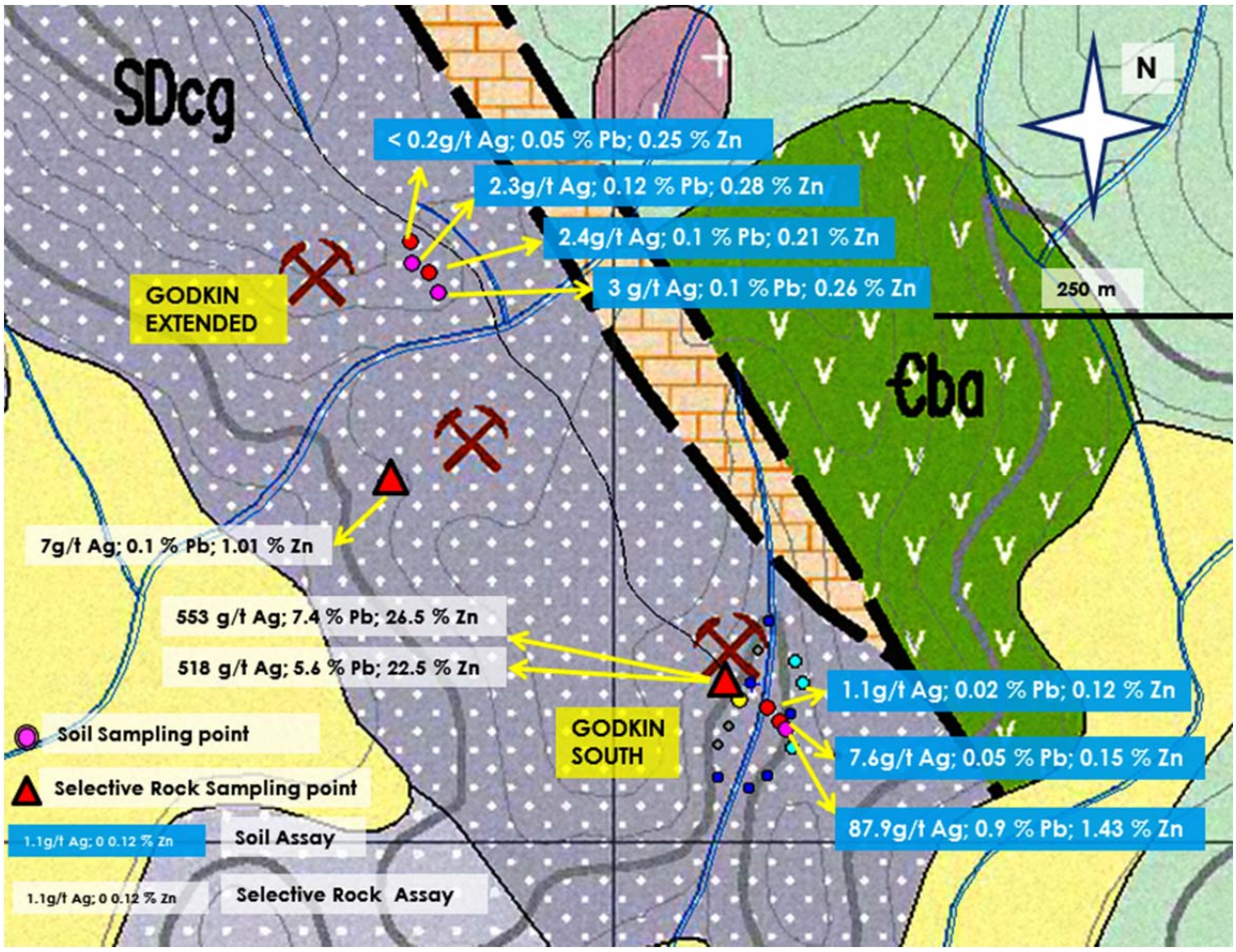

Figure 2: Trial soil sampling location and significant assay results (blue label) at Godkin South and Godkin Extended. Previous selective rock chip assay are white labelled (see ELT ASX release 7 March 2014)

Future Exploration Activities

Reconnaissance work conducted at the Godkin and Cleveland South Zones indicate the potential for wide-spread lead-zinc-silver mineralisation. The area has only been subject to small-scale selective mining and limited modern exploration. Future exploration activities may include:

- Detailed soil sampling and mapping at the Godkin and Cleveland South Zones to assess the structural hosts of the mineralisation;
- Pole-Dipole Induced Polarisation and gravity surveys targeting deeper mineralised structures. Historically, zinc was not targeted when the mines were active and the Company believes there is potential for high-grade zinc lenses in the underground works; and
- Definition of drill targets for a future drilling program.

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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**

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Gustavo Delendatti a member of Australian Institute of Geoscientist. Mr Delendatti is a full-time employee of Elementos Ltd and its subsidiaries, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Delendatti consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SAMPLE QUALITY CONTROL AND ASSURANCE

Samples were prepared at the Australian Laboratory Services Pty ("ALS") preparation facility in Burnie, Tasmania and assayed by ME-ICP41 with ICP-AES instrument at the ALS laboratory in Brisbane, all ISO-9001:2000 certified laboratories.

Table 1: Assay results from soil sampling at Godkin South and Godkin Extended Zone

Sample ID	Easting	Northing	Ag_ppm	As_ppm	Cu_ppm	Pb_ppm	Pb_%	Zn_ppm	Zn_%	Zone
GS-001	363145	5405215	-0.2	5	22	6	0.0006	40	0.0040	GS
GS-002	363135	5405187	-0.2	3	13	4	0.0004	12	0.0012	GS
GS-003	363127	5405155	-0.2	4	17	6	0.0006	30	0.0030	GS
GS-004	363116	5405139	-0.2	-2	53	12	0.0012	182	0.0182	GS
GS-005	363106	5405114	-0.2	4	40	16	0.0016	19	0.0019	GS
GS-006	363095	5405095	-0.2	3	9	12	0.0012	11	0.0011	GS
GS-007	363095	5405064	-0.2	3	39	7	0.0007	44	0.0044	GS
GS-008	363126	5405053	0.2	4	42	19	0.0019	48	0.0048	GS
GS-009	363144	5405066	-0.2	-2	46	10	0.0010	44	0.0044	GS
GS-010	363167	5405093	0.4	7	57	22	0.0022	77	0.0077	GS
GS-011	363166	5405126	-0.2	2	27	4	0.0004	26	0.0026	GS
GS-012	363178	5405155	-0.2	-2	12	13	0.0013	85	0.0085	GS
GS-013	363171	5405176	-0.2	6	21	13	0.0013	65	0.0065	GS
GS-014	363144	5405132	1.1	5	21	176	0.0176	1,205	0.121	GS
GS-015	363156	5405118	7.6	13	39	530	0.0530	1,570	0.157	GS
GS-016	363161	5405110	87.9	14	60	3,800	0.380	14,300	1.430	GS
GS-017	362816	5405552	2.4	-2	23	951	0.095	2050	0.205	GE
GS-018	362800	5405562	2.3	14	12	1,220	0.122	2,820	0.282	GE
GS-019	362798	5405582	-0.2	11	54	446	0.0446	2,470	0.247	GE
GS-020	362825	5405533	3	8	53	1,105	0.1105	2,620	0.260	GE

GS: Godkin South

GE: Godkin Extended

Table 2: Sample location information

Note: Dip and azimuth data is not applicable to soil sampling.
Down hole width and depth is not applicable to soil sampling.
End of hole is not applicable to soil sampling.

Sample ID	Easting (m)	Northing (m)	Elevation (m)
GS-001	363145	5405215	300
GS-002	363135	5405187	299
GS-003	363127	5405155	297
GS-004	363116	5405139	295
GS-005	363106	5405114	294
GS-006	363095	5405095	298
GS-007	363095	5405064	298
GS-008	363126	5405053	289
GS-009	363144	5405066	300
GS-010	363167	5405093	302
GS-011	363166	5405126	300
GS-012	363178	5405155	310
GS-013	363171	5405176	309
GS-014	363144	5405132	293
GS-015	363156	5405118	295
GS-016	363161	5405110	298
GS-017	362816	5405552	352
GS-018	362800	5405562	355
GS-019	362798	5405582	350
GS-020	362825	5405533	348

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	*Twenty soil samples were collected.in an irregular grid close to old working and mullock dumps areas. The samples size ranges approximately 2 kg.* *No duplicate samples were collected and no standards were incorporated in the sample batch. A hand held GPS was used to record sample locations (+/- 5m accuracy).*
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	*Not applicable, no drilling was conducted.*
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	*Not applicable, no drilling was conducted.*

Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	*Field notes regarding rock type and location were recorded in a sample book. This information is of insufficient detail to support any Mineral Resource Estimation.*
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	*The entire collected sample is submitted for analysis. No duplicate samples are submitted. No measures are taken to ensure sampling is statistically representative of the in situ sampled material. The collection methodology is considered appropriate for soil sampling and is in line with standard industry practice.*
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	*The laboratory analysis technique utilises the entire sample. The laboratory assay procedure is considered appropriate for samples of this type. No additional quality control measured beyond the standard laboratory "checks and balances" implemented by the lab as part of their normal assaying procedure were conducted. Samples were assayed by ME-ICP41 with ICP-AES instrument at the ALS laboratory in Brisbane, all ISO-9001:2000 certified laboratories. Four acid digestion is considered to be a total technique. No on site analysis was conducted.*
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	*The results are considered to be acceptable. The Company conducts internal data verification, data entry and storage protocols which are followed and adhered to. None of the received assays have been adjusted in any way.*

Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	*Soil samples are located using a hand held GPS (+/- 5m accuracy). The grid system is GDA 94 (zone 51). No topographic data (ie RL) was recorded.*
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	*The sampling methodology is considered unbiased. The relationship to geological structures and orientation is unknown apart from local geological information that was recorded at the sample point. The nature of the results do not support Mineral Resource and Ore Reserve estimate procedures. No sample compositing applies.*
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	*Samples were collected over a small area (ie 1m x 1m each), the orientation in relation to geological structures is unknown. No orientation based sampling bias has been identified in the data to date.*
Sample security	*The measures taken to ensure sample security.*	*Samples were collected in the field and stored in a secure lockable location until dispatched to the laboratory via company personnel and vehicle where the laboratory controls custody of the samples.*
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	*No audits or reviews have been conducted at this stage.*

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Godkin trend is within Exploration License 9/2006, "Whyte River" covering an area of 42km2 Exploration License 9/2006 was granted to Rockwell Tasmania Pty Ltd in early 2013, after the title was transferred from Manasia Mining Pty Ltd. The Cleveland South prospect is within Exploration Licence 7/2005 50% owned by Rockwell Tasmania Pty Ltd who recently purchased the remaining 50%. Both properties lie in Western Tasmania and are situated to the west of Waratah and in the immediate vicinity of and to the south and west of Luina.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	A series of small underground mines produced high grade narrow vein galena-carbonate-quartz ore along a northwest and northeast trending linear structural belt during the late 1800s-early 1900s. Limited modern exploration done up to date.
Geology	Deposit type, geological setting and style of mineralisation.	Northwest and northeast trending succession of sandstones and carbonate sediments correlated with the Cambrian Crimson Creek Formation of the Zeehan-Rosebery area intruded by granite stocks related with the Meredith Granite, a high level, late tectonic Late Devonian to Early Carboniferous granitic pluton believed to be genetically associated with the mineralisation.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Individual GPS controlled data points, no drilling was conducted.

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable, single point rock chip sampling.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Not applicable, single point rock chip sampling.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See maps and figures within the body of the report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All assay results regarding silver, lead, zinc, copper analysis are reported in Table 1.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Not applicable, single point rock chip sampling.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The data gathered and reported represents the results from a first pass selective rock chip sampling program, follow up exploration techniques may include geological mapping, additional rock chip sampling and/or geochemical soil sampling and geophysics. Exploration is regarded as very early stage.