*Rule 2.7, 3.10.3, 3.10.4, 3.10.5*

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

*Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/00, 30/9/01, 11/3/02, 1/1/03, 24/10/05, 1/8/12, 4/3/13.*

**Name of entity**

| ELEMENTOS LIMITED |
|---|

**ABN**

| 49 138 468 756 |
|---|

We (the entity) give ASX the following information:

## Part 1 - All issues

| | | |
|---|---|---|
| 1 | Class of securities issued or to be issued | Ordinary Shares |
| 2 | Number of securities issued or to be issued (if known) or maximum number which may be issued | 1.  40,315,384<br>2.   2,000,230 |
| 3 | Principal terms of the securities | As per existing ordinary shares |
| 4 | Do the securities rank equally in all respects from the issue date with an existing class of quoted securities? | Yes |
| 5 | Issue price or consideration | $0.012 per share |
| 6 | Purpose of the issue | 1.  Issue of shortfall shares pursuant to the rights issue.<br>2.  Additional placement |
| 6a | Is the entity an eligible entity that has obtained security holder approval under rule 7.1A? | Yes |
| 6b | The date the security holder resolution under rule 7.1A was passed | 29 November 2013 |
| 6c | Number of securities issued without security holder approval under rule 7.1 | 2.   2,000,230 |
| 6d | Number of securities issued with security holder approval under rule 7.1A | Nil |
| 6e | Number of securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | Nil |

| | | |
|---|---|---|
| 6f | Number of securities issued under an exception in rule 7.2 | 1.  40,315,384 |
| 6g | If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. | N/A |
| 6h | If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | LR 7.1:    18,660,987<br>LR7.1A:    67,606,457 |
| 7 | Issue dates. | 11 August 2014. |

| | | Number | Class |
|---|---|---|---|
| 8 | Number and class of all securities quoted on ASX | 758,813,272 | Ordinary shares |

| | | Number | Class |
|---|---|---|---|
| 9 | Number and class of all securities not quoted on ASX | 4,500,000 | Options exercisable at $0.226 expiring 23 October 2015 |
| | | 550,000 | Options exercisable at $0.226 expiring 7 September 2015 |
| | | 500,000 | Options exercisable at $0.226 expiring 30 November 2015 |
| | | 1,000,000 | Options exercisable at $0.326 expiring 18 January 2017 |
| | | 200,000 | Options exercisable at $0.06 expiring 3 December 2016 |
| | | 2,350,000 | Options exercisable at $0.06 expiring 20 January 2017 |
| | | 9,300,000 | Options exercisable at $0.03 expiring 20 March 2018 |

| | | |
|---|---|---|
| 10 | Dividend policy on the increased capital (interests) | nil |

## Part 2 - Bonus issue or pro rata issue

| | | |
|---|---|---|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the securities will be offered | |
| 14 | Class of securities to which the offer relates | |
| 15 | Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |

18    Names of countries in which the entity has security holders who will not be sent new issue documents

19    Closing date for receipt of acceptances or renunciations

20    Names of any underwriters

21    Amount of any underwriting fee or commission

22    Names of any brokers to the issue

23    Fee or commission payable to the broker to the issue

24    Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders

25    If the issue is contingent on security holders' approval, the date of the meeting

26    Date entitlement and acceptance form and offer document will be sent to persons entitled

27    If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders

28    Date rights trading will begin (if applicable)

29    Date rights trading will end (if applicable)

30    How do security holders sell their entitlements in full through a broker?

31    How do security holders sell part of their entitlements through a broker and accept for the balance?

32    How do security holders dispose of their entitlements (except by sale through a broker)?

33    Issue date

# Part 3 - Quotation of securities

34      Type of securities      (*tick one*)

(a)     | X |     Securities described in Part 1

(b)     |   |     All other securities

## Entities that have ticked box 34(a)

**Additional securities forming a new class of securities**
*Tick to indicate you are providing the information or documents*

35      | X |     If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

36      | X |     If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories
        1 - 1,000
        1,001 - 5,000
        5,001 - 10,000
        10,001 - 100,000
        100,001 and over

37      |   |     A copy of any trust deed for the additional securities

## Entities that have ticked box 34(b)

38      Number of securities for which quotation is sought

39      Class of securities for which quotation is sought

40      Do the securities rank equally in all respects from the issue date with an existing class of quoted securities?
        If not, please state:
        - the date from which they do
        - the extent to which they participate for the next dividend, or interest payment
        - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41      Reason for request for quotation now

42      Number and class of all securities quoted on ASX (*including* the securities in clause 38)

| Number | Class |
|--------|-------|
|        |       |

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/2013

## Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|---|---|
| **Step 1: Calculate "A", the base figure from which the placement capacity is calculated** | |
| **Insert** number of fully paid ordinary securities on issue 12 months before issue date or date of agreement to issue | 188,638,746 |
| *Add* the following: <br>• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 <br>• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval <br>• Number of partly paid ordinary securities that became fully paid in that 12 month period | 400,982,198 <br><br> 86,443,629 <br><br> nil |
| *Subtract* the number of fully paid ordinary securities cancelled during that 12 month period | |
| **"A"** | 676,064,573 |
| **Step 2: Calculate 15% of "A"** | |
| **"B"** | 0.15 |
| *Multiply* "A" by 0.15 | 101,409,686 |
| **Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used** | |
| **Insert** number of equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: <br>• Under an exception in rule 7.2 <br>• Under rule 7.1A <br>• With security holder approval under rule 7.1 or rule 7.4 | 82,748,699 |
| **"C"** | 82,748,699 |
| **Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1** | |
| "A" x 0.15 (*number must be same as step 2*) | 101,409,686 |
| *Subtract* "C" (*number must be same as step 3*) | 82,748,699 |
| *Total* ["A" x 0.15] – "C" | 18,660,987 |

## Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|---|---|
| **Step 1: Calculate "A", the base figure from which the placement capacity is calculated** | |
| **"A"** ( *number must be same as shown in Step 1 of Part 1* | 676,064,573 |
| **Step 2: Calculate 10% of "A"** | |
| **"D"** | *0.10* |
| *Multiply* "A" by 0.10 | 67,606,457 |

| | |
|---|---|
| *Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used* | |
| *Insert* number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A | Nil |
| **"E"** | Nil |
| *Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A* | |
| "A" x 0.10 ( *number must be same as shown in Step 2*) | 67,606,457 |
| *Subtract* "E" ( *number must be same as shown in Step 3*) | Nil |
| *Total* ["A" x 0.10] – "E" | 67,606,457 |

**Quotation agreement**

1    Quotation of our additional securities is in ASX's absolute discretion.  ASX may quote the securities on any conditions it decides.

2    We warrant the following to ASX.

- The issue of the securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those securities should not be granted quotation.

- An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.

- If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

3    We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4    We give ASX the information and documents required by this form.  If any information or document is not available now, we will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents.  We warrant that they are (will be) true and complete.

Sign here:  ........................................................    Date: 11 August 2014

                       (Director/Company Secretary)

Print name:    **PAUL CRAWFORD**