

10 April 2014

SELWYN RANGE PROJECT JOINT VENTURE AGREEMENT

Highlights

- Establishment of an exploration joint venture at the Selwyn Range project in far-north Queensland
- Highly prospective minerals district with a number of major mines and deposits
- Strategy consistent with objective of rationalising the asset portfolio and focusing on the Cleveland project

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce it has signed a binding term sheet for an earn-in joint venture with Below Ground Technology Pty Ltd ("BGT"), to explore for copper and gold at the Selwyn Range project in far-north Queensland.

BGT is a private company managed by Mr Robert Aird, a geologist with extensive experience exploring in the Mt Isa Inlier. Mr Aird was previously a project geologist at CopperChem Ltd, which had an operating copper mine and extensive exploration holdings in the Cloncurry district.

The Selwyn Range project includes three granted Exploration Permits ("EPMs"), 19371, 19375 and 19426, and comprises a largely contiguous block totalling 109 square kilometres, located 120 kilometres south of Cloncurry.

The project is in a district which has a number of major mines and deposits including:

- Osborne copper project 35 kilometres to the south;
- Selwyn copper project 10 kilometres to the north-west;
- Merlin molybdenum-rhenium project currently in development 10 kilometres to the north-west; and
- Cannington silver-lead-zinc mine 40 kilometres to the south-east.

Selwyn Range Project Joint Venture

The Company has signed a binding term sheet for an earn-in joint venture with BGT at the Selwyn Range project, on the following terms:

- The right to earn 51% of the project by investing \$0.6 million over 3 years; and
- The option to increase its interest by a further 19%, by investing an additional \$0.6 million over a further 2 years.

Once BGT earns a 70% interest, each party can either contribute or dilute according to an agreed formula and work program. If either party achieves a 90% interest in the project, the other party's 10% interest immediately converts to a 2% NSR.

The agreement is subject to finalisation of a full joint venture agreement.

Selwyn Range Project Overview

Selwyn Range is situated 20 kilometres south of Cloncurry in the world-class Mt Isa Inlier, a significant gold and base metal producing region, and is host to major copper/gold and lead/silver/zinc deposits. The district has established mining, processing and transportation infrastructure in close proximity to the regional centres of Mt Isa and Cloncurry.

The Selwyn Range project is in close proximity to major deposits including:¹

- Osborne copper project 35 kilometres to the south;
- Selwyn copper project 10 kilometres to the north-west;
- Merlin molybdenum-rhenium project currently in development 10 kilometres to the north-west; and
- Cannington silver-lead-zinc mine 40 kilometres to the south-east.

Little modern exploration has been undertaken on the EPMs. However, a number of companies have drilled shallow holes in the region that warrant further exploration.

The EPMs are located over an area of inflection in a prospective north-south structural trend, a feature often related to major deposits and mineralised systems in the district.

The target style and criteria are similar to those in the Company's Millenium joint venture properties 120 kilometres to the north-west. A thorough review has been carried out of open-file data and satellite imagery to identify a number of initial prospective targets.

Elementos' Managing Director, Calvin Treacy said "We are excited to have formed this joint venture so quickly after the tenements were granted. To have an exploration manager with a significant amount of experience and expertise in the Cloncurry district involved in the project is a huge boost. The establishment of this joint venture is consistent with our asset monetisation strategy and allows us to focus on the Cleveland tin project, as the Pre-Feasibility Study is nearing completion and will be released shortly".

For more information, please contact:

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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 the Australian Institute of Geoscientists. 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 it is undertaking to qualify as a Competent Person as defined in the 2004 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.

¹ The fact that these projects are near to Elementos' projects does not mean that Elementos' projects will have the same nature, value or success as those projects or that there is an economic resource.