

15 FEBRUARY 2012

MERCEDES DEMONSTRATES HIGH-GRADE COPPER POTENTIAL

Highlights

- High-grade copper up to 9.79%, with the majority of samples containing more than 1% copper, over a 298 km² wide area
- Multi-element data suggests porphyry-style mineralisation may be present
- Copper oxide mineralisation identified along intrusive contact zones, a style not previously recognised at Mercedes

Elementos Limited (ASX: ELT) (“Elementos” or the “Company”) is pleased to announce the results of the initial phase of geochemical sampling from the Mercedes Project, northern Chile.

A recently completed sampling program of exposed mineralisation and artisanal mines has demonstrated the high-grade copper potential of the project with 75% of the samples assaying above 1%, and up to 9.79% copper (see Table 1). The results are widely distributed over the project area – see Figure 1. Sampling highlights within each prospect area at the Mercedes project include:

- Mercedes – the majority of the samples contained more than 1% copper, including peaks of 7.30% copper and 53.0 g/t silver;
- Elvira – most samples contained more than 1% copper, including peaks of 9.79% copper, 37.3 g/t silver, 38 g/t molybdenum and 100 g/t tungsten. The high grade tungsten indicates close proximity to a porphyry source;
- Maria – a single sample contained 1.37% copper; and
- Marcelita – Samples contained peaks of 5.11% copper with 620 ppm lead and 345 ppm zinc.

The consistently high-grades, from both the high-angle structures and mantos at the Mercedes prospect, highlight the potential for a significant volume of near-surface copper oxide mineralisation across the project.

The presence of anomalous gold, molybdenum and tungsten at Elvira indicates a probable igneous source for the mineralisation. This further supports the potential for porphyry mineralisation at shallow to mid-levels in this prospect.

Elementos believes that these exciting results from the initial geochemical sampling demonstrate the great potential of this project, particularly for identifying bulk tonnage porphyry-style copper mineralisation.

The continuation of the surface sampling, the on-going geological mapping and the recently commenced airborne geophysical survey should provide a rapid indication for the size and extension of structures and bodies, as well as defining geological models for drill testing in the short-term.

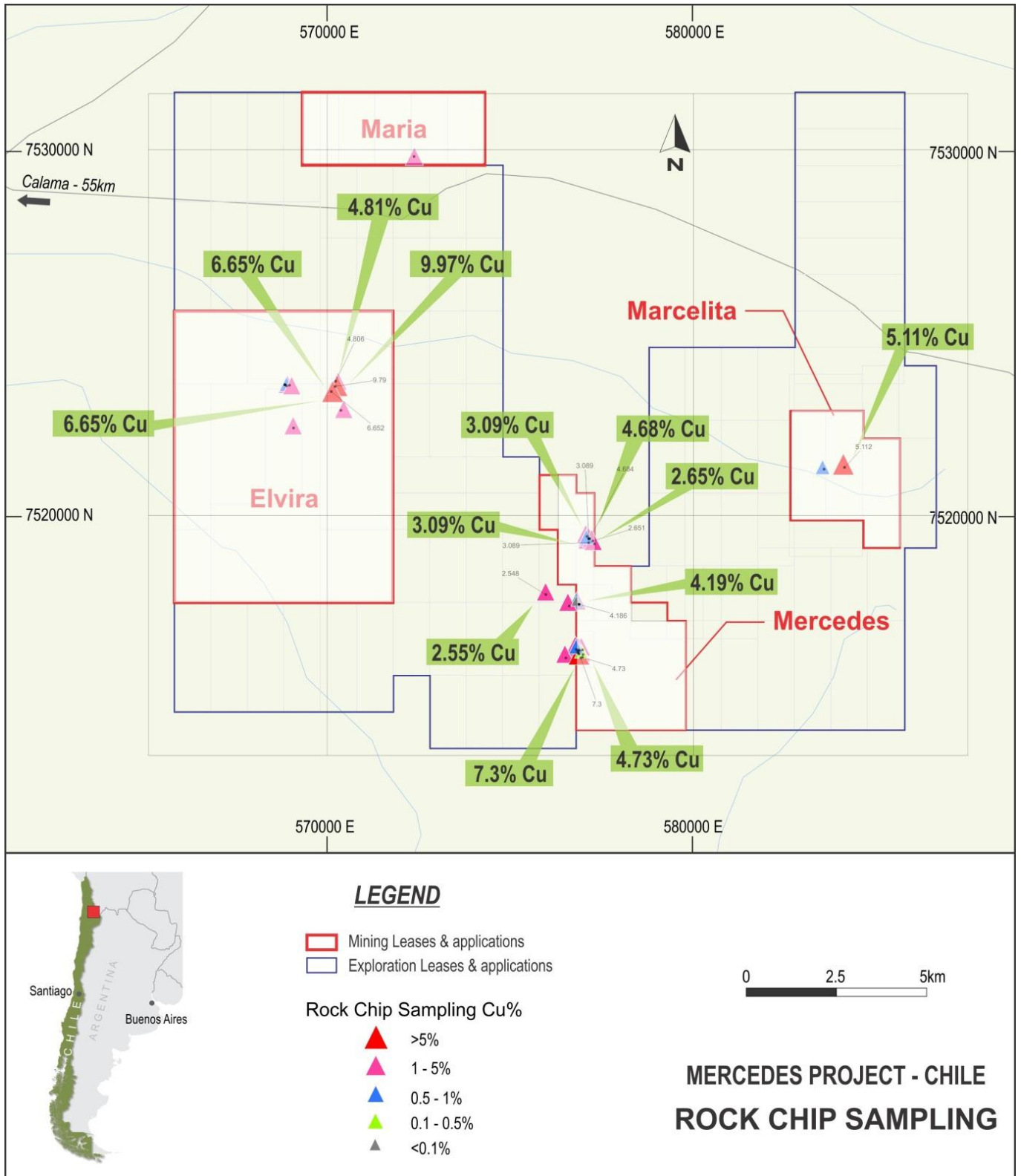


Figure 1: Distribution of copper (Cu) sample results across the project area.

Assay results and analysis for each prospect at Mercedes project

Mercedes

The on-going mapping demonstrates a volcanic and sedimentary sequence hosting copper oxide mineralisation along high-angle vein and breccia structures, and within selected stratigraphic horizons (mantos).

Samples collected in different mine workings, included:

- Mercedes 1 - 1.42 to 3.09% copper and 4.3 to 53.0 g/t silver from mantos, whilst material from ore stockpiles assayed 4.68% copper and 51.3 g/t silver;
- Mercedes 2 - 0.93 to 4.19% copper and 3.0 to 14.1 g/t silver from mantos, whereas material on the ore stockpile contained 2.16% copper and 12 g/t silver; and
- Mercedes 3 - 0.42 to 1.63% copper and 0.7 to 8.7 g/t silver from mantos and ore from stockpiles contained 7.3% copper and 7.6 g/t silver. The fault breccia-veins, considered to be the feeders in Mercedes 3, contained up to 4.73% copper, 10.7 g/t silver and 5 ppm molybdenum.



Figure 2: Mineralised manto at Mercedes 1 prospect (left) and a sample assaying 2.65% copper (right).

Copper oxide mineralisation was also observed along the contact zones between subvolcanic intrusives and the stratigraphic sequence. This geological setting had not been recognised previously in the area and adds to the potential of Mercedes.

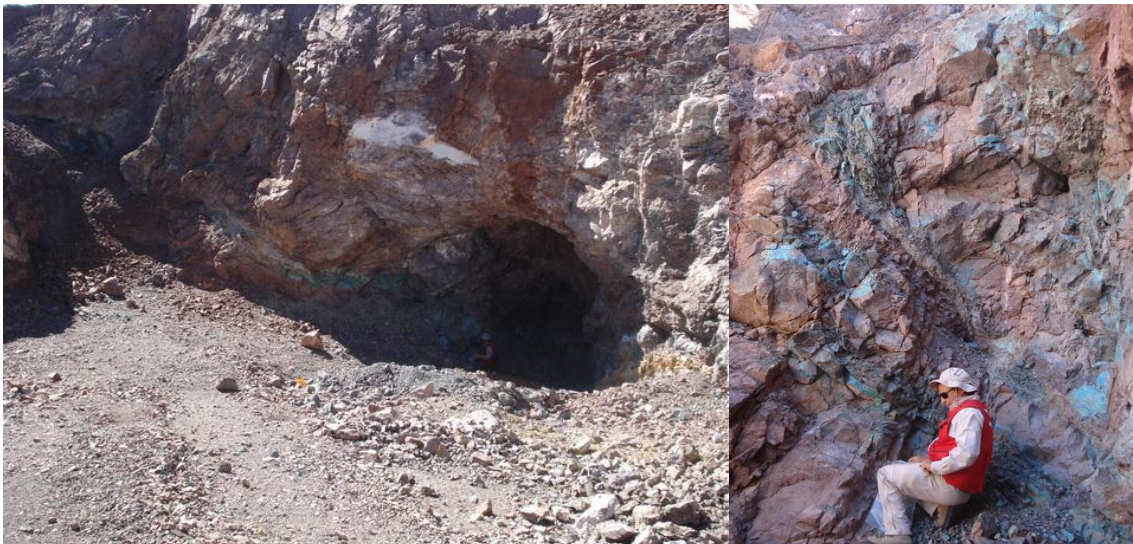


Figure 3: Workings at Mercedes 2 - samples assayed 4.19% and 0.93% copper (left) and at Mercedes 3 – a sample assayed 4.73% copper (right).

Elvira

Samples of dacitic porphyry from mines and outcrops at Elvira assayed between 0.69 and 1.65% copper. The Pamela mine, within the Elvira prospect, returned grades of 4.81 to 6.65% copper in mined material and 9.79% copper from outcrop.



Figure 4: Elvira prospect showing the upper part of the porphyry zone, grey in colour, intruding into the volcanics, red-brown in colour (left) and mineralisation in the porphyry (right).

Additionally, values of up to 37.3 g/t silver and 0.39 g/t gold, plus maximum values of 38 ppm molybdenum and 100 ppm tungsten were reported. The presence of the gold, molybdenum and tungsten at Elvira indicates a probable igneous source for the mineralisation. This supports the potential for porphyry mineralisation, based on the limited surface rock exposures and alteration styles.



Figure 5: Pamela zone with mineralised fracture zone in volcanics (left) and material forming a sample assaying 9.79% copper (right).

Marcelita

Samples included high values of copper (up to 5.11%), lead (620 ppm) and zinc (345 ppm). Field observations and the assay data indicate that this is exotic mineralisation that has precipitated in clastic sedimentary strata from solutions remobilised from a porphyry environment. This implies that the mineralisation on surface is of little economic potential, but there may be a significant source of copper mineralisation close by. A large exposure of porphyry intrusive is known to occur on the northern margin of this prospect.



Figure 6: Exotic copper oxide mineralisation at Marcelita prospect – a sample assayed 5.11% copper (left) and another sample assayed 0.75% copper (right).

Maria

One sample taken at the abandoned mine assayed 1.37% copper with 0.06 g/t gold, 13 ppm molybdenum and 10 ppm tungsten. Based on the presence of molybdenum, the prospect appears to be close to a porphyry system.

For more information, please contact:

Corey Nolan

Managing Director

Phone: +61 (7) 3221 7770

Email: admin@elementos.com.au

Elementos is an Australian, ASX-listed, copper and gold exploration company, with projects in Argentina, Chile and Australia. The properties are all in mineral rich, highly prospective provinces, with developed infrastructure nearby. 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 Alistair Grahame, a member of the Australian Institute of Geoscientists. Mr Grahame is a full-time employee of Elementos Ltd 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 Grahame consents to the inclusion in the report of the matters based on his information in the form and context

Table 1: Results of the initial phase of the comprehensive geochemical sampling program at Mercedes, Chile.

Sample Number	Prospect	Easting UTM WGS84	Northing UTM WGS84	Altitude (m)	Description	Sample Type	Copper (%)	Gold (ppm)	Silver (ppm)	Molybdenum (ppm)
5464	Mercedes	577100	7519423	3441	Volcanoclastic manto	Chip panel	1.42	<0.01	4.3	1
5465	Mercedes	577145	7519364	3430	Volcanoclastic manto	Chip channel	3.09	0.01	53.0	3
5466	Mercedes	577146	7519363	3430	Volcanoclastic manto	Chip channel	0.81	<0.01	15.2	1
5467	Mercedes	577174	7519360	3434	Volcanoclastic manto	Chip selective	4.68	0.01	51.3	3
5468	Mercedes	577253	7519298	3422	Volcanoclastic manto	Chip	2.65	<0.01	33.4	2
5469	Mercedes	577302	7519231	3439	Volcanoclastic manto	Chip	1.61	0.01	14.3	1
5470	Mercedes	576974	7516131	3561	Fault breccia - vein	Chip channel	4.73	0.02	7.6	5
5471	Mercedes	576997	7516195	3582	Fault breccia - vein	Chip channel	0.37	<0.01	1.6	1
5472	Mercedes	576935	7516112	3577	Volcanoclastic manto	Selective	7.30	0.01	7.6	3
5473	Mercedes	576878	7516216	3569	Volcanoclastic manto	Chip	0.42	<0.01	1.1	1
5474	Mercedes	576863	7516241	3563	Volcanoclastic manto	Chip channel	1.16	0.01	1.1	2
5475	Mercedes	576850	7516263	3563	Volcanoclastic manto	Chip channel	1.10	0.01	0.7	2
5476	Mercedes	576896	7516313	3548	Volcanoclastic manto	Chip channel	1.36	0.01	7.7	8
5477	Mercedes	576862	7516328	3550	Volcanoclastic manto	Chip channel	1.41	0.01	4.0	6
5478	Mercedes	576856	7516303	3548	Volcanoclastic manto	Chip	0.74	0.01	0.8	9
5479	Mercedes	576811	7516343	3570	Volcanoclastic manto	Chip	1.27	0.01	5.1	2
5480	Mercedes	576973	7516328	3568	Volcanoclastic manto	Chip channel	1.63	0.01	8.7	3
5481	Mercedes	576527	7516116	3550	Fault breccia - vein	Chip channel	1.92	<0.01	10.7	2
5482	Mercedes	576880	7517574	3542	Volcanoclastic manto	Chip channel	4.19	0.01	14.1	1
5483	Mercedes	576880	7517574	3542	Volcanic wallrock	Chip channel	0.03	<0.01	0.5	1
5484	Mercedes	576880	7517574	3542	Volcanoclastic manto	Chip channel	0.93	<0.01	3.0	11
5485	Mercedes	576621	7517529	3540	Volcanoclastic manto	Chip selective	2.16	<0.01	12.0	1
5486	Marcelita	584132	7521320	3753	Sandstone	Chip selective	5.11	<0.01	<0.5	2
5487	Marcelita	583577	7521264	3698	Conglomerate	Chip channel	0.75	<0.01	1.2	2
5488	Maria	572371	7529816	3233	Volcanoclastic manto	Selective	1.37	0.06	5.0	13
5489	Elvira	568849	7523573	3130	Porphyry	Chip channel	1.63	0.02	10.1	10
5490	Elvira	568854	7523579	3130	Porphyry	Chip channel	0.69	<0.01	8.9	2
5491	Elvira	568976	7523565	3148	Porphyry	Chip channel	1.42	0.01	37.3	1
5492	Pamela	570238	7523671	3157	Dacitic volcanic	Selective	4.81	0.39	7.3	38
5493	Pamela	570224	7523532	3175	Dacitic volcanic	Selective	9.79	0.33	2.4	3
5494	Pamela	570114	7523387	3189	Dacitic volcanic	Selective	6.65	0.23	10.0	5
5495	Elvira	570388	7522876	3186	Porphyry	Chip	1.65	0.01	5.9	5