

# ASX ANNOUNCEMENT

18 March 2015

## R&D TAX REFUND RECEIVED

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to advise it has received a Research and Development ("R&D") tax refund of approximately \$248,000 under the Federal Government's R&D Tax Incentive Scheme ("Scheme"). Under this Scheme, companies with a turnover of less than \$20 million per annum are entitled to a cash refund of 45% of all eligible R&D activities in Australia.

The Company's claim relates to R&D activities for the Cleveland Tailings and Underground Projects during the 2011/12 financial year. The Company is awaiting confirmation of a refund for the 2013/14 financial year, which is anticipated to be slightly larger.

Refunds will be used to further progress the Company's plans to commence construction of the tailings retreatment facility in 2016, with production to quickly follow.

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Elementos is an Australian, ASX-listed metals company, focused on the development of Cleveland, an advanced stage tin-copper and tungsten project in Tasmania.

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



## About the Cleveland Mine Redevelopment

Cleveland was an underground tin and copper mine operated by Aberfoyle Limited between 1968 and 1986. During the life of the Cleveland operations, Aberfoyle mined and treated 5.7M tonnes of ore for a production of approximately 24,000 tonnes of tin and 10,000 tonnes of copper in concentrate. Elementos has over 5.8M tonnes of Indicated Mineral Resources defined today.

The mineralisation in the Cleveland mine is principally of two styles: tin and copper bearing semi-massive sulphide lenses replacing limestone, similar to Renison, and a tungsten bearing quartz stock-work. Tin occurs as cassiterite and copper occurs principally as chalcopyrite. The tungsten occurs as wolframite. Mineral Resources have been estimated for tin and copper in the tin and copper bearing lenses, tungsten in the tungsten bearing stock-work, and tin and copper in tailings (see tables next page).

The Cleveland mine was operated successfully due to its low-cost mining method. When in operation, Cleveland was considered 'state of the art', being one of the first tin mines to utilise trackless mining technologies.

Aberfoyle mined ore from open-stopes between levels, which were 15 metres apart vertically. Ground conditions were such that stopes did not require filling, indicating excellent ground conditions.

Mine development extends to 400 metres below the surface with the underground decline and drives still in place. This provides low cost access for the Company to the existing tin, copper and tungsten mineralisation.

Historical mining at Cleveland produced a tailings legacy that Elementos proposes to reprocess as part of its strategy for the project. The tailings are stored above ground on-site in two tailings dams. The tailings contain a substantial quantity of recoverable tin and copper due in part to operational inefficiencies and technical limitations of tin processing whilst the mine was in operation.

The Cleveland tin and copper deposit is open at depth and along strike. The tungsten-mineralised stock-work has only been estimated down to 850m RL. There is considerable scope to increase the tungsten Mineral Resource below this level (ASX Release 29 October 2013 "Cleveland Project Tungsten Potential").

Elementos plans to enter into production through the reprocessing of the Cleveland tailings Mineral Resource in order to provide early cash flow for the further development of the open pit and underground tin, copper and tungsten Mineral Resources.

<b>Multi Commodity Asset</b>	✓	<b>Power, Water &amp; Communications</b>	✓
<b>Near Term Production Targeted</b>	✓	<b>Experienced Management</b>	✓
<b>Access to a High Growth Markets</b>	✓	<b>Established Port &amp; Market Access</b>	✓
<b>Government &amp; Stakeholder Support</b>	✓	<b>Resource &amp; Exploration Upside</b>	✓
<b>First World Mining Jurisdiction</b>	✓	<b>Strategic Investors Engaged</b>	✓
<b>Low Capital Intensity Project Pipeline</b>	✓	<b>Fully Developed Modern Decline</b>	✓

## Cleveland Mineral Resources

Announced to the ASX on 17 June 2014 "Cleveland Tailings Resource Upgrade"

Tailings Mineral Resources (at 0% Sn cut-off) <sup>1</sup>			
Category	Tonnage	Tin Grade (% Sn)	Copper Grade (% Cu)
Indicated	3,850,000	0.30	0.13
<b>Total</b>	<b>3,850,000</b>	<b>0.30</b>	<b>0.13</b>

Announced to the ASX on 3 March 2015 "Cleveland Open Pit - High-Grade Mineral Resource Defined"

Open Pit Tin and Copper Mineral Resources (at 0.35% Sn cut-off) <sup>2</sup>			
Category	Tonnage	Tin Grade (% Sn)	Copper Grade (% Cu)
Indicated	828,000	0.81	0.27
Inferred	14,000	0.99	0.34
Underground Tin and Copper Mineral Resources (at 0.35% Sn cut-off) <sup>2</sup>			
Indicated	4,174,000	0.67	0.28
Inferred	2,428,000	0.56	0.19
Total Tin and Copper Mineral Resources (at 0.35% Sn cut-off) <sup>2</sup>			
Indicated	5,002,000	0.69	0.28
Inferred	2,442,000	0.56	0.19
<b>Total</b>	<b>7,444,000</b>	<b>0.65</b>	<b>0.25</b>

Announced to the ASX on 18 April 2013 "Cleveland Tin, Copper and Tungsten JORC Resources"

Tungsten Mineral Resources (at 0.20% WO <sup>3</sup> cut-off) <sup>3</sup>		
Category	Tonnage	Tungsten Grade (% WO <sup>3</sup> )
Inferred	3,980,000	0.30
<b>Total</b>	<b>3,980,000</b>	<b>0.30</b>

### COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mick McKeown of Mining One Consultants Pty Ltd, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy. Mick McKeown is a full-time employee of Mining One Consultants Pty Ltd, a mining consultancy, which has been paid at usual commercial rates for the work, which has been completed for the Company. Mick McKeown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mick McKeown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### MINERAL RESOURCES AND REPORTING

Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. Economic, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues may materially affect the estimate of Mineral Resources.

<sup>1</sup> Reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') 2012 Edition.

<sup>2</sup> Reported in accordance with the JORC Code 2012 Edition.

<sup>3</sup> Reported in accordance with the JORC Code 2004 Edition.