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GEOPHYSICS CONFIRMS TARGETS AT YVETTE GOLD-SILVER PROSPECT

Highlights

- Magnetometry survey identifies structural corridors which closely correlate to high-grade gold and silver samples on surface
- Ground-magnetometry geophysics completed at Divisoria porphyry
- Permitting for drilling at Yvette in progress

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to report preliminary results from the ground-based magnetometry geophysical survey and ongoing surface sampling at the Yvette gold-silver prospect in the Santo Domingo Project, Argentina.

Ground Magnetometry at Yvette has successfully defined the main structural trends beneath the high-grade gold and silver mineralisation identified in surface sampling. The program will assist with targeting of the mineralisation along strike in talus or areas with poor access.

The Yvette geophysics program has included 30 kilometres of ground-magnetometry and 12 kilometres of IP geophysics. The objective of the program was to identify depth and strike extensions of the known high-grade gold and silver-polymetallic structures. The Yvette structures are generally narrow and discretely outcropping on surface. The geophysics is testing the potential to identify larger and blind structures at depth. The data from the IP survey is currently being processed and is expected to provide further information on the depth potential of the main structures.

Further gold and silver-polymetallic structures have been encountered in shallow trenches along strike from the Yvette Norte structure in outcrop:

- 0.5 metres at 6.04 g/t gold and 33 g/t silver;
- 0.4 metres at 5.24 g/t gold and 14g/t silver;
- 0.2 metres at 6.09 g/t gold and 22 g/t silver; and
- 0.55 metres at 0.31g/t gold, 435 g/t silver.

Trenching is ongoing to test for the bulk tonnage potential of this intermediate-sulphidation epithermal-style mineralisation.

Environmental permit applications for drilling at the Yvette prospect have been lodged and a drilling program will be scheduled once permitting is approved.

Magnetometry Confirms Structural Trends at Yvette

Ground magnetometry at Yvette has successfully defined the main structures associated with the mineralisation at surface and their potential extensions along strike, see Figure 1. There is a good correlation between both low and moderate magnetic signatures (blue and green colours respectively) and the mapped structures and geochemical anomalies previously reported. The main features include a dominant north-south striking trend coincident with the previously reported gold-rich vein structures at Yvette Norte that overprints a less marked north-east striking trend (coincident with previously reported silver-polymetallic rich vein structures) at Yvette Sur.

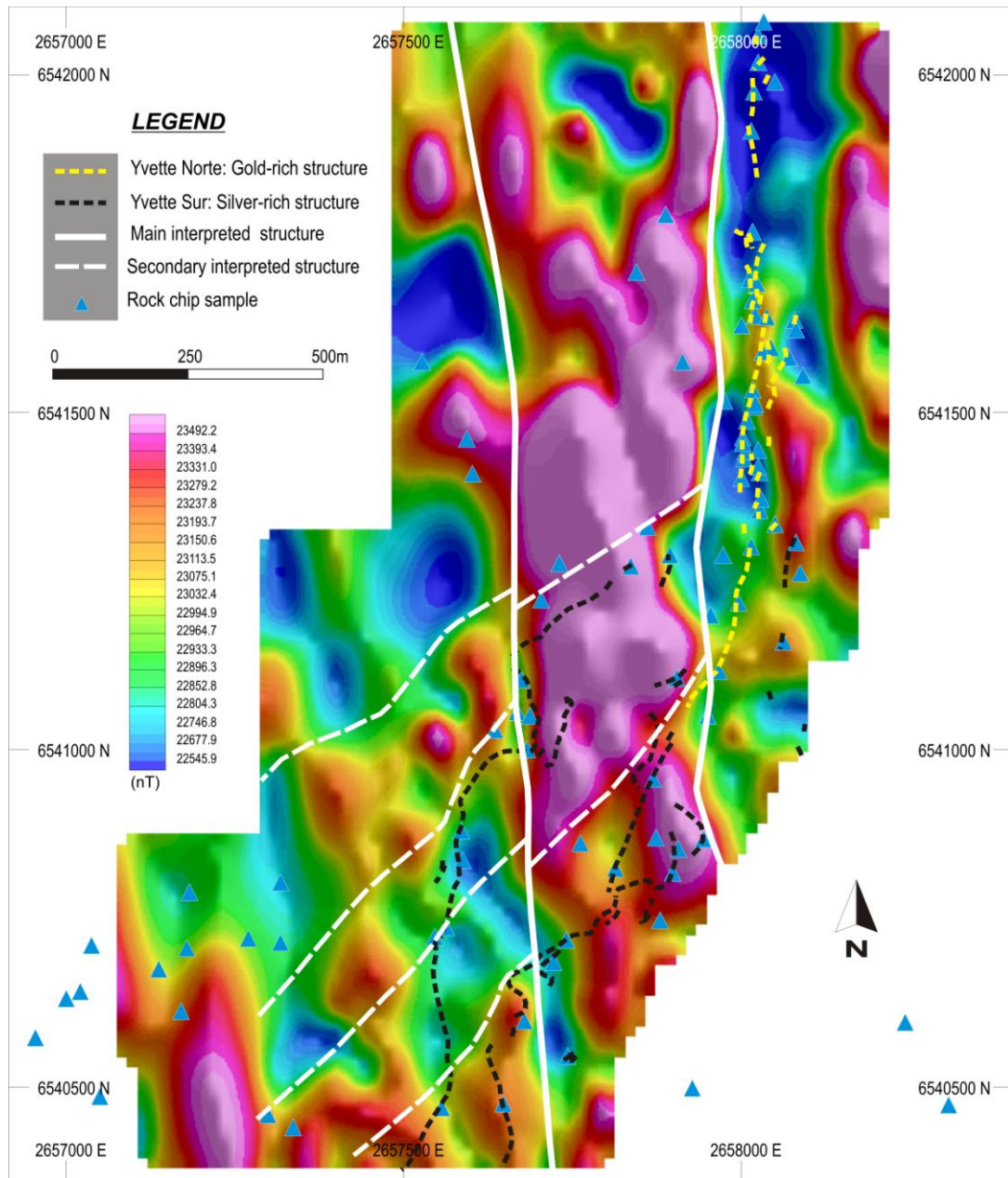


Figure 1: Map of Yvette prospect showing detailed surface mapping and sampling of Yvette Norte and Sur overlain on reduced-to-pole (RTP) ground-magnetometry. The structures interpreted from the geophysics are shown in white.

Yvette IP Geophysics Program Completed

Twelve line kilometres of pole-dipole IP sections, at 120 metre spacings have been completed at Yvette Norte and Sur prospects. The aim of the program was to test the vertical extensions of the main systems containing the highest gold and silver anomalies. Once the new information is processed, it will be combined with ground magnetometry and detailed geological and geochemical mapping to generate additional targets. Additionally, the new information will increase the accuracy and confidence in existing drill targets.

New Sampling at Yvette Norte

Narrow, high-grade gold, silver and polymetallic structures have been encountered in shallow trenching 350 metres along strike over the main Yvette Norte structure. These are located in an area of limited outcrop where prior sampling returned 5.34 g/t gold and 19.5 g/t silver in the south and north respectively.

Highlights of representative (fixed length, continuous channel) rock-chip samples from the trenches include:

- 0.5 metres at 6.04 g/t gold, 33 g/t silver;
- 0.4 metres at 5.24 g/t gold, 14g/t silver;
- 0.2 metres at 6.09 g/t gold, 22 g/t silver; and
- 0.55 metres at 0.31g/t gold, 435 g/t silver.

Divisoria Geophysics

The ground-magnetometry geophysical survey over the porphyry copper-gold target at the Divisoria prospect has been completed and results are pending. The survey is testing the magnetic response of the different alteration and mineralisation zones and to highlight potential structural corridors controlling higher grade targets at depth. A drilling program will be planned based on the combined surface data and geophysical interpretations. Environmental permits have been approved for drilling at the Divisoria and El Arriero targets.

Yvette Environmental Approvals Process

The environmental permit application for drilling at the Yvette prospect has been lodged, but approvals are taking longer than anticipated. As such, it will not be possible to combine the planned drilling at Yvette with the Phase 2 drilling program at Manantiales. A new drilling program will be rescheduled once permitting is approved.

For more information, please contact:

Corey Nolan

Managing Director

Phone: +61 (7) 3871 3985

Email: admin@elementos.com.au

Elementos is an Australian, ASX-listed, exploration company, with a number of projects in Argentina and Australia, which offer an attractive investment environment. The properties are all in mineral rich, highly prospective provinces, with developed infrastructure nearby.

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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 in which it appears.