

2 JUNE 2010

SYDNEY FLAT DRILLING PROGRAM TO COMMENCE

Highlights

- Ten hole drilling program to commence this week at Sydney Flat.
- The objective is to test the grade, gold distribution and metallurgical characteristics of mineralisation within the deep lead.
- Subject to the success of the first program, follow up strike-extension drilling is planned following another Ground Penetrating Radar Program.

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to report the commencement of an inaugural drilling program on the Company's property at Sydney Flat in New South Wales.

Sydney Flat is a historically mined high-grade gold alluvial deep lead project. Gold mineralisation is reportedly hosted in a shallow ancient river system, partially covered by a thin veneer of basalt. Whilst historical mining records indicate the production of high-grade gold, the resource has not been fully exploited due to several factors:

- difficulty in defining the location of the deep lead systems under the basalt cap which is accentuated by the tributary nature of the ancient river system, and the fact that some parts of the basalt cap and river system have been eroded away;
- the high volume of water in the deep lead system has restricted traditional underground mining methods; and,
- open cut mining through the basalt cap was not economic.

The aim of the short drilling program is to test the grade and potential size of the deep lead system at the Hopetoun property within the Sydney Flat Exploration Licence. The drilling program will target areas surrounding historic workings, waterbores and drill holes where reported data suggests the occurrence of both the deep lead and historical gold recovery.

Should the program successfully define the potential to prove a mineable resource, then a second phase of resource definition drilling will be planned over the strike extensions of the interpreted deep lead system following more systematic exploration. Ground Penetrating Radar will be used to identify the deep lead channels under the basalt cap.



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Elementos is an Australian, ASX-listed, exploration company, with a number of projects in Argentina and Australia, which offer an attractive investment environment with low sovereign risk. 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 Neil Stuart a fellow of the Australasian Institute of Mining and Metallurgy. Mr Stuart is a Director 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 they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Stuart consents to the inclusion in the report of the matters based on his information in the form and context in which it appears