7 FEBRUARY 2012

ACQUISITION OF INTEREST IN CERRILLO TAMAYA COPPER PROJECT, CHILE

Highlights

- Elementos has secured an option to earn a 50% interest in a copper exploration project in central Chile
- Significant land package, located in a major copper-gold district hosting, amongst others, the Andacollo, El Espino, Tres Valles, and Punitaqui deposits
- Reported historical production of 2 Mt @ 12% copper[1]
- Widespread copper oxide and sulphide mineralisation dispersed along a vein system extending over four kilometres

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce that it has entered into an earn-in joint-venture with HMC Gold SCM on the Cerrillo Tamaya ("Tamaya") copper project in Chile. Elementos can earn a 50% interest in the project by spending US$7 million on exploration and development within a three year period. The agreement is subject to a 45-day legal due diligence and completion of the Shareholders and Option agreements.

Tamaya comprises 5,690 and 1,200 hectares of mining concessions and exploration applications respectively. It is located in the Cerrillo Tamaya historic mining district, 55 kilometres south of the regional capital and port of Coquimbo. The district has excellent exploration, mining, and development infrastructure.

Tamaya's prospective features include:

- Historic mining focused on high-grade copper ores - reported production of 2 Mt @ 12%[1] - leaving potentially significant volumes of lower grade material;
- Extensive oxide and sulphide mineralisation evident at surface over the main four kilometre long vein system;
- Potential for secondary veins and deeper mineralisation along the main trend, as well as bulk-tonnage breccia and stratiform mineralisation; and
- The area has never been explored using modern day techniques.

Exploration activities at Tamaya will test the remnants of the known mineralisation whilst exploring for new targets. A number of targets can be drilled quickly.

Tamaya represents another exciting new opportunity for the Company in Chile, in addition to the recently announced Mercedes project, with the potential to discover bulk-tonnage, copper oxide and sulphide mineralisation in a proven mining district with stable jurisdiction.

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[1] Based on non-JORC-compliant historical data.

Project objectives

Elementos plans two parallel strategies at Tamaya:

1. Investigate the potential for delineating a copper oxide resource capable of development into a solvent extraction and electro-winning operation; and
2. Explore for sulphide copper-gold mineralisation for on-site treatment by flotation into concentrates.

Strategically positioned in a proven mining district

Tamaya is located in an established mining district in the coastal ranges of central Chile. Mines and deposits in the area include clusters of large iron-oxide-copper-gold (IOCG) style deposits and numerous other smaller copper and gold deposits resources. The IOCG deposits include:

Deposit	Owner	Resource Category	Resource
Andacollo	Teck (90%) and ENAMI (10%)	Proven and Probable	397 Mt at 0.38% copper[2]
CMD, (Dayton)	Lachlan Star	Indicated and Inferred	87.4 Mt at 0.6 g/t gold[3]
El Espino	Pucobre	Measured and Indicated	144.8 Mt at 0.55% copper and 0.22g/t gold[4]
Tres Valles	Vale	No resource data available	Annual production estimate: 18,500 tonnes copper cathode[5]
Punitaqui	Glencore	No resource data available	Annual production estimate: 40,000 tonnes copper concentrate[6]
Note: These mines and resources are not assets of the Company and their proximity to the Company's projects should in no way be taken as indicative that the Company will be able to successfully develop a resource.			

Location

Tamaya is located 330 kilometres north of the Chilean capital, Santiago, and 55 kilometres south of La Serena and Coquimbo, Region IV's provincial capital. The district has excellent access and infrastructure:

- A network of graded tracks that link to asphalt roads 5 kilometres either side of the property;
- The Pan-American Highway, a modern motorway, 15 kilometres to the east;
- Mining support services, including an airport at La Serena and a bulk handling port at Coquimbo;
- Local services and accommodation in the town of Ovalle, 15 kilometres to the east; and
- High voltage power lines running parallel to the Pan American Highway and linking the towns of Cerrillo Tamaya and Ovalle.

[2] www.teck.com/ Annual Information Form, 15 March 2010

[3] www.lachlanstar.com.au/images/2012012_CMD_Toro_Resource_Final.pdf

[4] Explorator Resources Inc, NI:43.101, 24 January 2011

[5] www.vale.com.br

[6] www.glencore.com/zinc-copper-lead.php

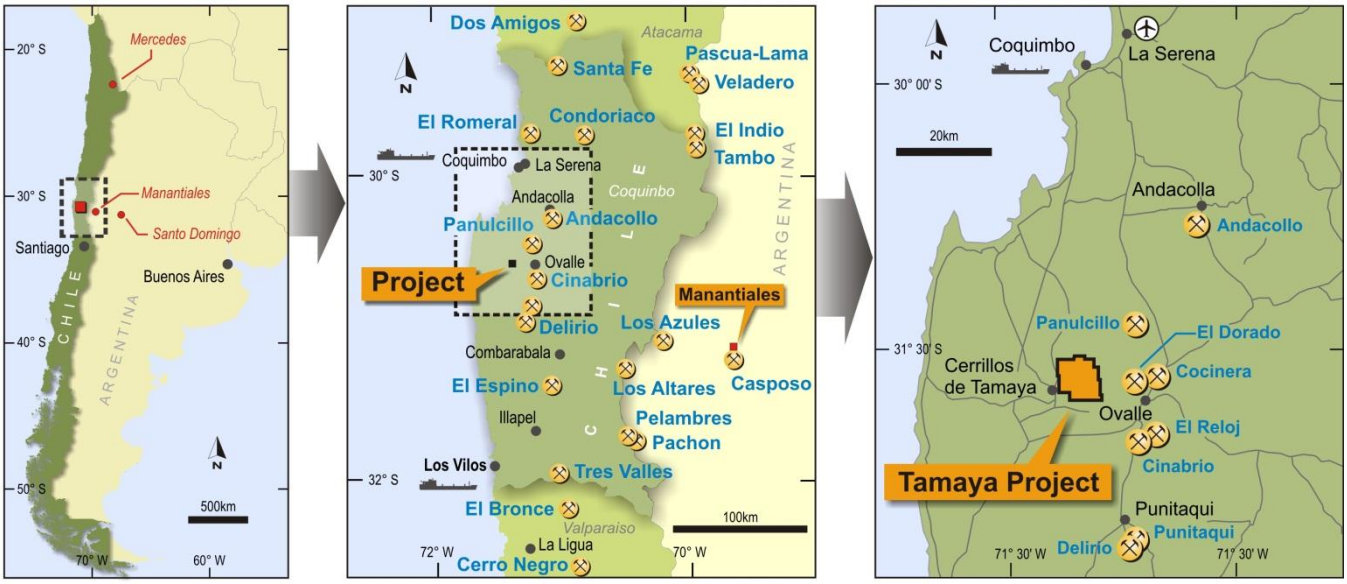

Figure 1: Location map of the Cerrillo Tamaya project, Region IV, Chile.

Tamaya is located at less than 1,000 metres altitude in the coastal ranges where exploration activities can be performed all year round.

Figure 2: Cerrillo Tamaya's strategic location and access showing the trend of the main structure.

Description

The historic Cerrillo Tamaya mining district occurs along a steep 600 metres high by eight kilometres long ridge, overlooking the coastal plain near Ovalle. The tenement package comprises a continuous block approximately eight square kilometres centred on the historic workings.

History

Copper was first discovered and exploited at Tamaya around 1605, and was worked intermittently up until the 19th Century. Production peaked between 1850 and 1890, when 39 companies operated in the district. Activities ceased by the end of the 19th Century due to the fragmented nature and the lack of investment in the operations.

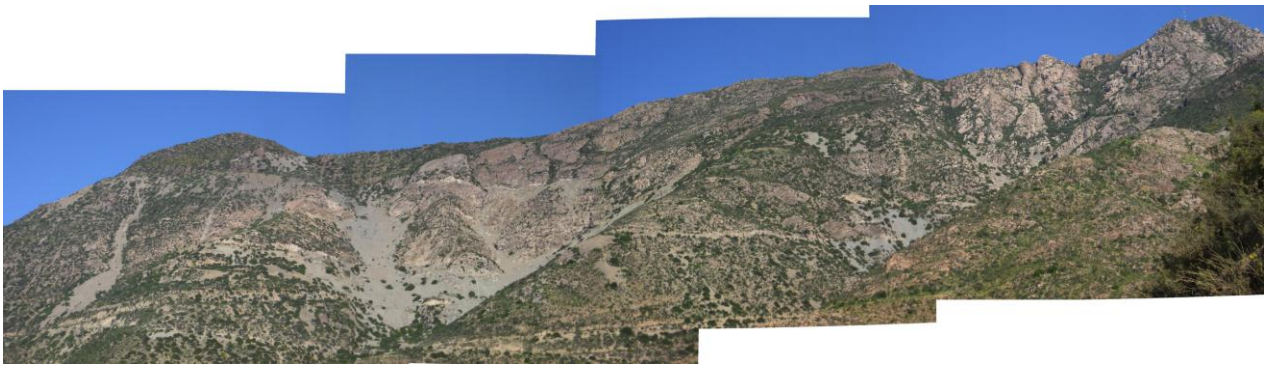

Figure 3: The eastern flank of the central-southern sector of Cerro Tamaya ridge. Mineralised waste rock litters the slope beneath the old workings into the main vein system.

During the 20th Century, small-scale extraction has been carried out by artisanal miners, mostly reworking the abundant waste dumps. Data from historic records indicate that in total approximately 2 Mt of ore was processed at an average grade of 12% copper.[1]

HMC Gold SCM holds the consolidated tenement rights over the historic mining district. Due to the previously fragmented tenement ownership, no prior modern exploration has been carried out at Tamaya.

Geology and exploration potential

Although Tamaya was traditionally considered as a vein-hosted copper system, other forms of associated mineralisation are clearly evident. These include stratiform mantos and breccia pipes, which is consistent with the morphology of the nearby El Espino, Punitaqui and Papomono deposits. Further geological information and prospect photos are outlined in the geological appendix, page 6.

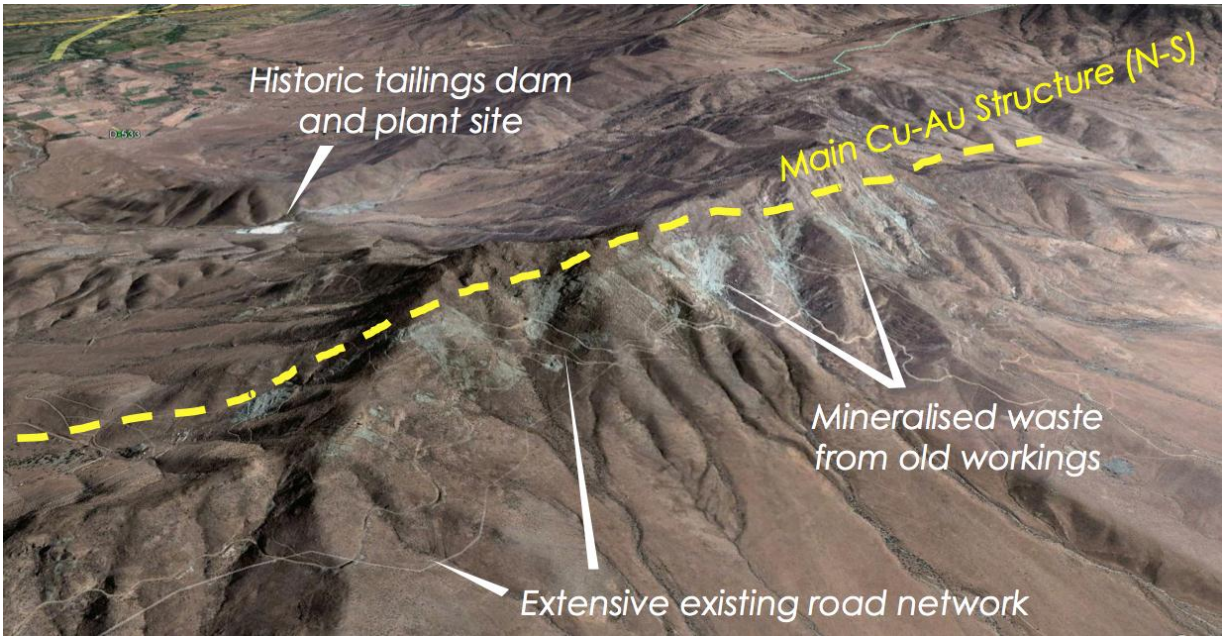

Figure 4: Tamaya project, showing the line of historic workings along the Cerro Tamaya ridge and abundant mineralised waste. (GoogleEarth image)

Exploration program

Elementos' exploration strategy involves testing the extensive known mineralisation, whilst simultaneously exploring for new targets. The strategy will involve mapping, sampling, alteration studies, geophysics and drilling. It is planned to drill-test the initial targets within the first year.

In addition, the old tailings dam and extensive historic waste piles, which have abundant visible copper oxide mineralisation, will be tested for their grade and tonnage potential.

Acquisition terms

Elementos has signed a binding Letter of Intent, subject to 45-day legal due diligence and finalisation of the Shareholders and Option agreements. The Company will have the right to earn-in to 50% of the project within three years ("Earn-in Period").

Elementos will manage and fund all exploration activities for a total expenditure of US$7.0 million, including a minimum annual drilling commitment of 5,000 metres.

On completion of the Earn-in Period, a contributing joint venture managed by Elementos will be formed for continued exploration, evaluation and development.

Joint venture partner

HMC Gold SCM (HMC Gold) is a majority owned subsidiary of the Haldeman Mining Company (HMC), in partnership with a consortium of banks led by Meridian International Capital Ltd, an Australian investment firm. HMC Gold assets include Tamaya and the Tambo de Oro project, 30 kilometres south of Tamaya, which is advancing through pre-feasibility studies into development.

HMC is a privately owned Chilean mining company with a producing copper mine and fine-cathode plant (Longacho and Sagasca) in northern Chile, which produces some 19,000 tonnes per year of copper cathode. HMC also holds a further 110,000 hectares of active exploration projects nationally.

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Elementos is an Australian, ASX-listed, copper and gold exploration company, with a number of 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 in which it appears.

Geological appendix

The Cerrillo Tamaya mineralisation is associated with and controlled by plutonic and tectonic activity, and occurs as:

1. High-grade, high-angle vein structures

Sub-parallel suites of veins occur along vertical, north-south trending, tectonic structures. These were the focus of the historic mining and, although the width and the depths worked are unknown, the extraction has been reported as 2 Mt at an average copper grade of 12%. The veins are composed of quartz, specularite and tourmaline with copper and iron oxides (chrysocola, atacamite, malachite, limonite and goethite), and sulphides (chalcopyrite, bornite and pyrite) reported at depth.

Although documentation exists specifying the historic very high grades, it is impossible to obtain accurate representative samples of the veins, measure the widths of the structures or quantity of material remaining, because the old workings are currently inaccessible. Very little of the vein material remains on the surface since the structures were worked by hand where they outcropped. Additionally, the mine dumps continue to be reworked by hand by artisanal miners, preferentially removing the high-grade vein material. Thus, what remains is lower grade compared with what was exploited historically. Elementos' character samples of the limited vein material available from waste dumps returned values of 1.2 to 1.3% copper with 0.11 to 0.23 g/t gold.

Figure 5: Mineralised vein material recovered from the waste dumps.

Figure 6: Waste dumps beneath old workings that mantle the eastern flank of Cerro Tamaya in the southern sector. Access roads cut into the hillside indicate that extraction took place on multiple levels.

Most historic production appears to have been from veins at high levels on the Cerro Tamaya ridge, although unreferenced sources mention deeper workings on select ore-shoots. Evidence of workings on the vein system can be traced for over four kilometres through the property, along the ridge.

2. Stratiform manto oxides

Mantos represent permeable volcanic or sedimentary strata, which have been preferentially mineralised adjacent to the vein systems. Multiple copper oxides are observed on fractures and disseminated within the mantos. Elementos' character sampling of this returned grades of 1.4 to 3.8% copper and 0.11 to 0.74 g/t gold.

Figure 7: Manto-style mineralisation on the ridgetop of Cerro Tamaya in the southern sector, the high-grade vein presumably occurred in the adjacent trench and has been completely removed at surface (left). Typical mineralised manto-style waste material in historic dumps (right).

Most of the extensive historic mine waste is composed of this material, Figure 7. This suggests that the mine development drives from the flanks of the ridge into the main vein structures intersected significant widths of mantos, which were historically sub-economic due to their comparatively lower grades.

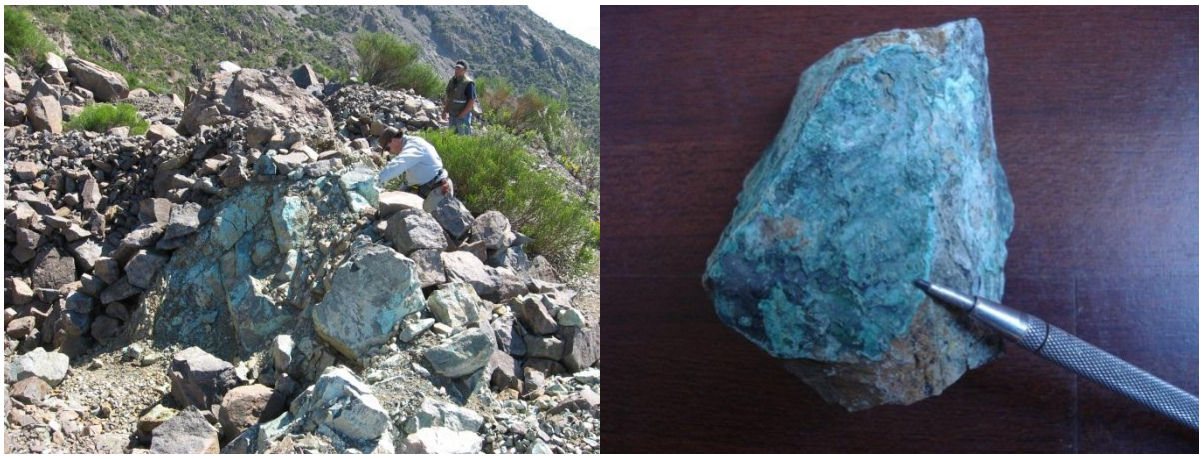

Figure 8: Copper oxide mineralisation in the wallrock mantos.

3. Breccia-hosted oxides and sulphides

Breccia's are seen on the surface, occurring in the sidewall of historic pits and as waste material. Copper is seen as a variety of oxides and sulphides, including chalcopyrite and bornite, with secondary pyrite. Further sampling is required to confirm the grade potential of this material.

Figure 9: Disseminated sulphide minerals (chalcopyrite, bornite, pyrite) within polymictic hydrothermal breccias.

Table 1: Results of Elementos due diligence sampling, Tamaya, Chile.

Sample Number	Easting UTM WGS84	Northing UTM WGS84	Altitude (metres)	Description	Copper (%)	Gold, (ppm)
RA005151	275946	6620461	866	rhyolite (waste dumps)	2.58	0.22
RA005152	275946	6620461	866	rhyolite (waste dumps)	1.77	0.74
RA005153	275502	6617017	969	rhyolite (waste dumps)	3.50	0.21
RA005154	275502	6617017	969	rhyolite (outcrop)	1.40	0.14
RA005155	275533	6617121	984	breccia pipe (outcrop)	0.01	0.01
RA005156	275536	6617107	985	rhyolite (waste dumps)	3.80	0.00
RA005157	272609	6617931	396	tailings	0.57	0.03
RA005158	277417	6619391	534	quartz vein (waste dump)	1.19	0.09
RA005159	277368	6619438	545	andesite (waste dump)	2.76	0.11
RA005160	277360	6617519	553	Silica/Fe-oxide vein (waste dump)	1.31	0.23
RA005404	276052	6618326	835	waste dump fines ~ 1cm	1.63	0.08
RA005405	276052	6618326	835	waste dump fines <1cm	2.54	0.45
RA005406	276011	6618020	823	waste dump fines <1cm	3.41	0.33