

ASX ANNOUNCEMENT

9 May 2015

Management Restructure and Cost Reductions

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce a management restructure as part of an initiative to reduce costs and reshape the business for the next phase of development.

Tim McManus has been appointed Chief Executive Officer ("CEO") of the Company. Tim's appointment as CEO reflects the Company's commitment towards the development of the Cleveland tin-copper and tungsten mine in Tasmania. Tim has been the Chief Operating Officer at Elementos for the last nine months, and brings over twenty years' experience in mining and geology, including significant experience in project development. Tim was formally Chief Geologist with Xstrata Coal, Regional Manager with AMC Consultants, and Managing Director of Scorpion Energy. Details of Mr McManus's terms of employment are yet to be finalised, at which time they will be released to the market.

Calvin Treacy will become a Non-Executive Director and maintain an active role in the business.

Calvin Treacy said "In the 18 months since the merger of Rockwell Minerals and Elementos, the Cleveland project has transitioned to become one of the more advanced tin development projects globally. I look forward to contributing as a Non-Executive Director as the Company moves towards production".

The changes reflect the Company's commitment to reducing costs whilst it finalises the Tailings Project Pre-Feasibility Study and other technical studies at Cleveland. Other cost reduction measures include reducing Non-Executive Director fees, outsourcing the Company Secretarial function and relocating the office premises.

Chairman, Rick Anthon, commented, "The cost reduction measures are an initiative aimed at maximising available resources for the Cleveland project and positioning the Company for future development success. We thank Calvin for his efforts as Managing Director since the merger with Rockwell Minerals in 2013. We welcome Tim as CEO and look forward to the Company's ongoing development of the Cleveland Project, as we move towards production in 2016/17."

For more information, please contact:

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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

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Redevelopment Timeline

Pathway to Production	2014				2015				2016				2017				2018			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Final Acquisition of Cleveland		✓																		
Tailings Mineral Resource		✓	✓	✓																
Tailings Pre-Feasibility Study			✓	✓	✓															
Mining Lease Approval Process					✓															
Environmental Approval Process					✓															
Tailings Project Feasibility																				
Infrastructure Construction																				
Tin and Copper Production																				
Underground Mineral Resources		✓	✓	✓	✓															
Open Pit Mineral Resources					✓															
Open Pit Scoping Study					✓															
Underground Scoping Study					✓															
Open Pit and Underground Pre-Feasibility																				
Environmental Approval																				
Open Pit and Underground Feasibility																				
Open Pit and Underground Production																				

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About the Cleveland Mine

Cleveland was an underground tin and copper mine operated by Aberfoyle Limited between 1968 and 1986. During the life of the Cleveland operation, Aberfoyle mined and processed 5.7M tonnes of ore and produced 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 porphyry 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 geology lent itself to low cost mining techniques. 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, providing considerable scope to increase the tungsten Mineral Resource below this level (ASX Release 29 October 2013 "Cleveland Project Tungsten Potential").

Elementos plans to commence production through the reprocessing of the 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.

Multi Commodity Asset	✓	Power, Water & Communications	✓
Near Term Production Targeted	✓	Experienced Management	✓
Approvals Submitted	✓	Established Port & Market Access	✓
Government & Stakeholder Support	✓	Resource & Exploration Upside	✓
First World Mining Jurisdiction	✓	Strategic Investors Engaged	✓
Low Capital Intensity Project Pipeline	✓	Fully Developed Modern Decline	✓

Cleveland Mineral Resources

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

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

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) ²			
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) ²			
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) ²			
Indicated	5,002,000	0.69	0.28
Inferred	2,442,000	0.56	0.19
Total	7,444,000	0.65	0.25

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

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

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.

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

² Reported in accordance with the JORC Code 2012 Edition.

³ Reported in accordance with the JORC Code 2004 Edition.