

25 OCTOBER 2010

HIGH-GRADE GOLD ZONE INTERSECTED AT MANANTIALES

Highlights

- High-grade gold zone intersected at Manantial vein with best drill intersection of 12.6m at 5.04 g/t gold and 37 g/t silver from 82.78m including 5.2m at 11.3g/t gold and 65g/t silver and 0.7m at 57.4g/t gold and 350g/t silver
- The high-grade gold mineralisation is open along strike and to depth
- Potential for a larger epithermal system at depth
- Drilling is planned to test the strike and depth extensions of the Manantial, Julieta Norte, and La Puerta veins

Results of the inaugural Manantiales drill program

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to report the results from the inaugural drilling program completed at the Manantiales low sulphidation gold-silver project in San Juan Province, Argentina.

The diamond drilling program intersected a high-grade gold zone with silver credits from approximately 49 metres below surface. The mineralised system appears to have a minimum strike length of 80 metres in a north-south direction, widths ranging between 4.5 to 12.5 metres and is open along strike and to depth. The Company believes there is potential for a larger epithermal system at depth.

The inaugural Manantiales diamond drilling program was completed in September 2010 for 19 diamond holes and a total 1,635.67 metres, comprising:

- Manantial vein - 15 holes totalling 1,383.02 metres; and
- Julieta Norte - 4 holes totalling 252.65 metres.

Table 1 summarises the diamond drilling results and the technical specifications.

A further drilling program will be undertaken to test the north-south strike extensions and depth potential of the known mineralisation at the Manantial vein. Depth extensions of the Julieta Norte system and the La Puerta vein will be drill tested during the same drilling campaign.

Manantial vein high-grade gold zone

The drilling program was designed to test the Manantial vein, where high-grades were reported from channel sampling at surface, at depths of between 30 and 110 metres below the surface.

The deeper diamond core holes, MDH019, MDH014 and MDH002, intersected significant widths of high-grade gold with silver credits. Significant intersections within the high grade zone include:

- MDH019 - 12.6m at 5.04 g/t gold and 37 g/t silver from 82.78m
Incl. 5.2m at 11.3g/t gold and 65g/t silver from 83.4m
Incl. 0.7m at 57.4 g/t gold and 350 g/t silver from 85.3m
Incl. 0.73m at 13.8 g/t gold and 73 g/t silver from 87.15m
- MDH014 – 8.34m at 3.07g/t gold and 6g/t silver from 94.2m
Incl. 3.4m at 6.53 g/t gold and 12 g/t silver from 99.2m
Incl. 0.7m at 19.4 g/t gold and 28 g/t silver from 99.2m

This high-grade mineralisation appears to have a minimum length of 80 metres, widths ranging between 4.5 to 12.5 metres, and is still open along strike and to depth.

The shallower holes were typically lower grade than the surface channel sample results; however, it is not known if this is due to the drill spacing missing potential lenses or a possible vertical control on the mineralisation in the system.

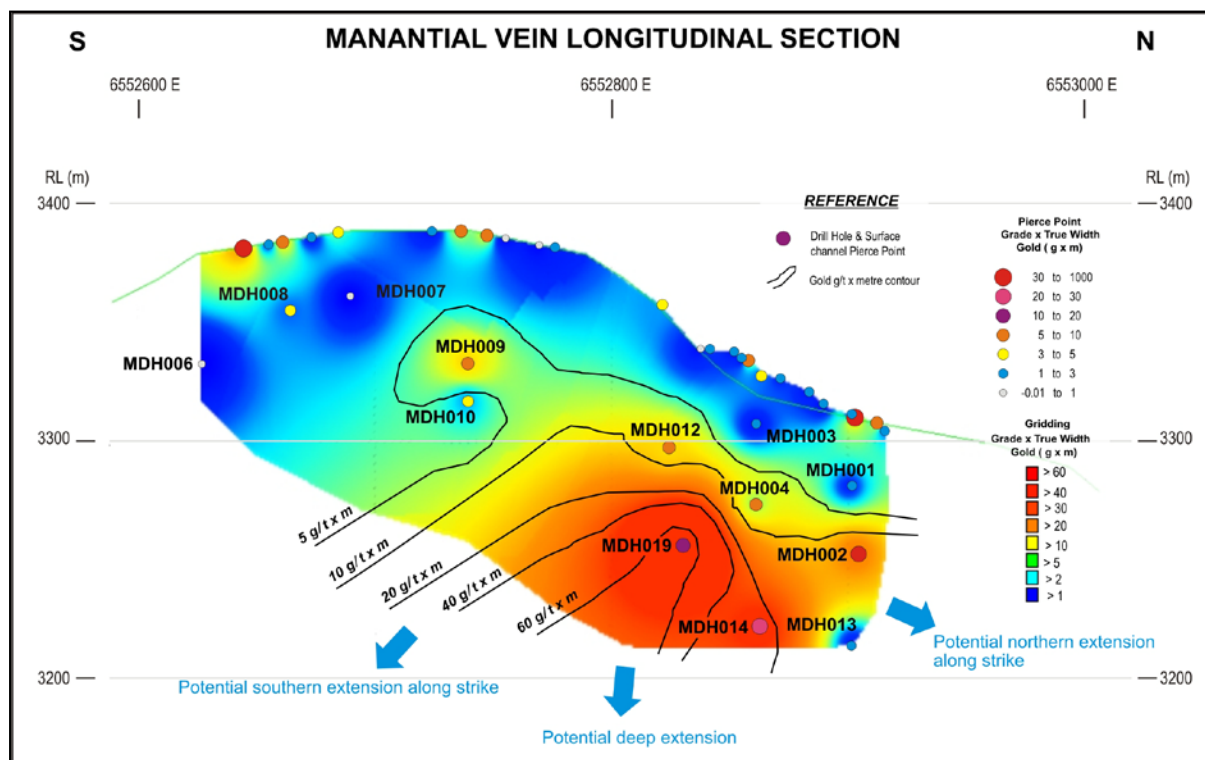
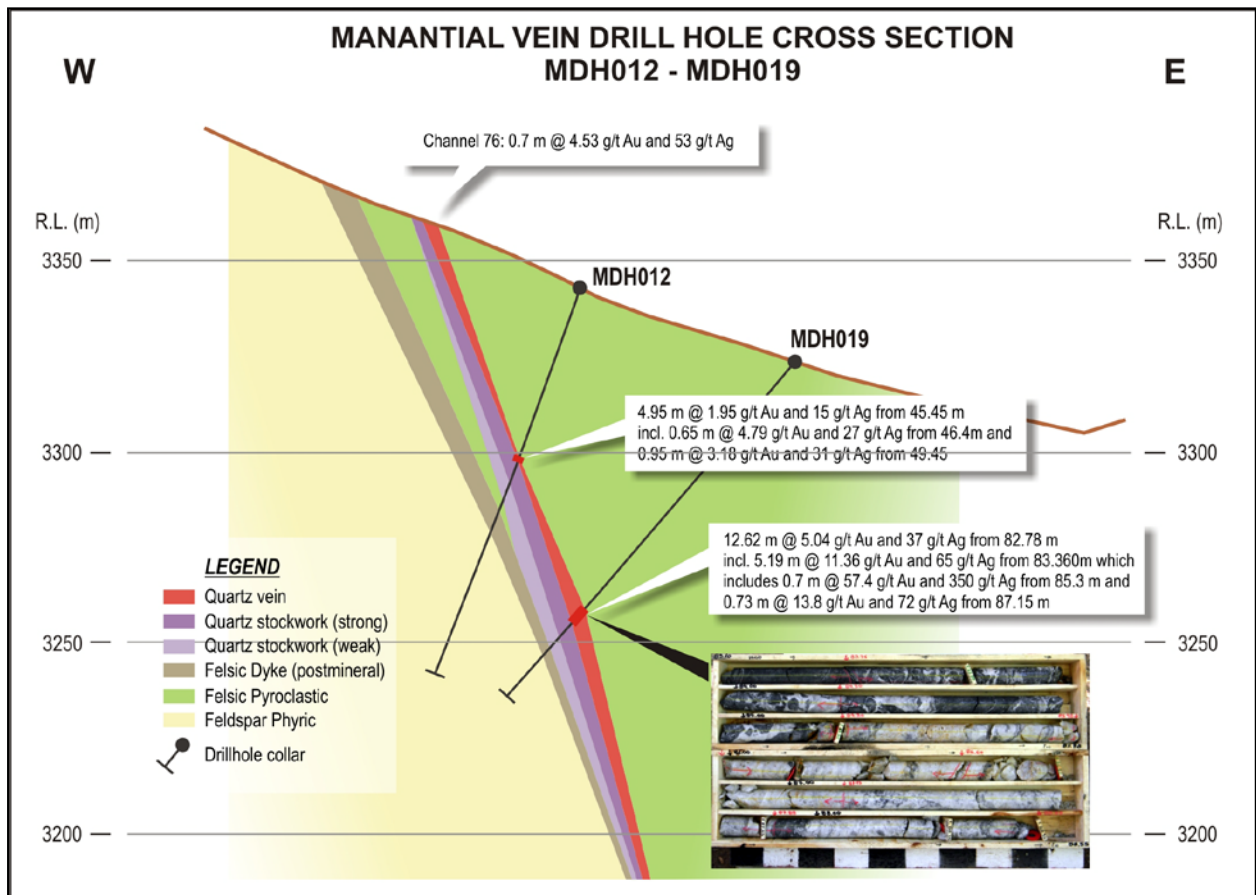
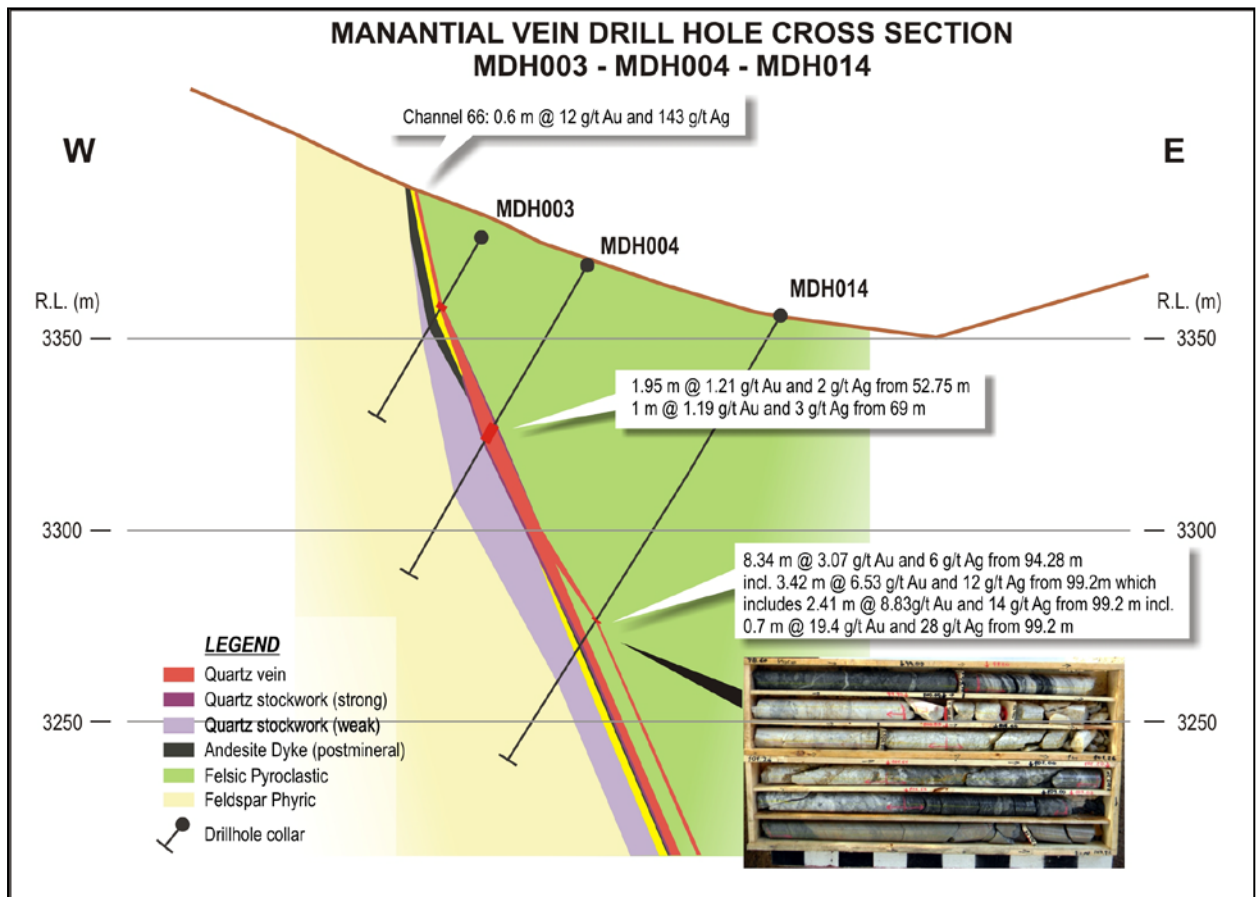


Figure 1: Manantial vein longitudinal section demonstrating the high-grade zone and potential strike and depth extensions.



Figures 2 & 3: Drill sections showing interpreted geology and significant intersections.



Julieta Norte vein drill results

The Julieta North vein system is located some 1.7 km southeast of Manantial vein and represents the northern extension of Troy's Julieta prospect. Holes MDH015, MDH016, MDH017 and MDH018 tested over 175 metres of discrete pinching and swelling vein in outcrop, at shallow levels. The most northerly hole, MDH016, returned 1.02 metres at 4.4 g/t gold and 16 g/t silver from 29.73 metres, and MDH017 returned 0.75 metres at 4.8 g/t gold and 7 g/t silver from 62.9 metres.

Since the vein has been mapped in outcrop to the north of MDH016 and the geochemical signatures are similar to Troy's Julieta vein, drill testing to greater depth is planned during the next phase of drilling.

Exploration strategy

The follow-up program will involve further drilling and the continuation of the regional exploration program currently underway.

Planning for a second drill program in early 2011 will be aimed at:

- Testing extensions of high grade mineralisation along strike and to depth at the Manantial vein;
- Second-pass drilling to check extensions along strike and to test deeper levels of the Julieta Norte vein; and,
- Exploratory drilling of the untested La Puerta vein system.

Project-scale exploration is continuing with the aim of identifying new targets for drilling. The initial focus is to sample potential extensions of the La Puerta vein system, plus a new vein system identified 600 metres east of La Puerta. Target generation is currently concentrating on the five kilometres of untested ground between the La Puerta and Julieta Norte veins, and working northwards towards the Manrique prospect.

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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. The properties are all in mineral rich, highly prospective provinces, with developed infrastructure nearby.

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SAMPLE QUALITY CONTROL AND ASSURANCE

All sample widths presented are Intersection or Apparent Widths and may not represent the true widths of the mineralisation. Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than two metres width within an intersection were included in the intersection. No upper cut-off was applied. The core was split equally using a diamond-blade saw. One half of the core was selected for sampling. Sample intervals were 1.0m or to geological criteria. Sample widths were limited at between 0.3 and 1.0m. No compositing of samples was used. Holes MDH001 and MDH002 are HQ3. All other holes are NTW.

Samples were prepared at the Acme Analytical Laboratories ("AcmeLabs") preparation facility in Mendoza, Argentina and assayed by fire assay (50 gram charge) at the AcmeLabs laboratory in Chile and for ICP-MS 32 elements (15 grams charge) at the AcmeLabs laboratory in Vancouver, all ISO-9001:2000 certified laboratories.

Check assaying of all samples assaying greater than 1.0 g/t gold is completed by Acme Labs. Samples returning greater than 10 g/t gold and/or greater than 100 g/t silver are assayed using gravimetric analyses. Standard, blank and duplicates samples are used throughout the sample sequence as checks for the diamond drilling reported in this release.

CORE LOGGING AND ORIENTATION

All diamond-core was logged for geological and geotechnical characteristics, core recovery, and orientated using the Ballmark system. Average recovery for the entire program was over 96% in both vein and wall rock. Downhole surveys were conducted using a Reflex single-shot camera at a maximum 50 metre spacing.

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.

Table 1: Manantial and Julieta Norte prospects - summary of drilling intersections using 0.5 g/t gold cut-off grade

Hole ID	Prospect	Coordinates (GK/CI f2) ¹			End of Hole	Collar Surveys ²		Significant Intersections					
		Northing, m	Easting, m	Altitude, m		Azimuth	Inclination	From, m	To, m	Length, m ³	Au ppm ⁴	Ag ppm	Core Recovery % ⁵
MDH001	Manantial	2432108	6552904	3304	64.50	270	-60	23.5	24.9	1.4	1.6	12	100.00%
including								23.5	24.3	0.8	1.93	15	100.00%
								59.7	60.65	0.95	1.52	3	100.00%
MDH002	Manantial	2432136	6552901	3298	92.50	270	-60	49.05	53.7	4.65	2.822	9	97.20%
including								49.05	49.75	0.7	5.14	21	95.00%
and								51.8	52.7	0.9	7.06	18	95.00%
MDH003	Manantial	2432092	6552860	3326	61.20	270	-60	20.4	21.75	1.35	0.94	6.33	75.00%
including								20.4	20.85	0.45	1.11	5	75.00%
MDH004	Manantial	2432121	6552862	3320	91.25	270	-60	47.7	54.7	7	0.81	7.1	82.00%
including								52.75	57	1.95	1.21	2	100.00%
								58	59	1	1.1	7	100.00%
								68	70	2	1.085	3	100.00%
including								69	70	1	1.19	3	100.00%
MDH005		2432145	6552984	3267	61.60	270	-60	Results Pending. No visible mineralisation					
MDH006	Manantial	2432088	6552626	3361	72.40	270	-60	NSR					
MDH007	Manantial	2432085	6552689	3379	71.65	270	-60	NSR					
MDH008	Manantial	2432082	6552663	3374	70.75	270	-60	20.15	21.55	1.4	2.25	27	100.00%
including								20.85	21.55	0.7	2.84	32	100.00%
								28.6	32.8	4.2	0.92	4	90.34%
including								30.5	31	0.5	2.15	6	100.00%
and								31	31.5	0.5	1.12	4	88.00%
MDH009	Manantial	2432098	6552738	3378	75.50	270	-60	47.05	51.3	4.25	2.04	10	98.43%
including								49.25	51.3	2.05	4.09	19	100.00%
which includes								49.25	49.6	0.35	20.2	98	100.00%
MDH010	Manantial	2432124	6552738	3370	110.37	270	-60	58.35	60.25	1.9	1.897	4	98.97%
including								59.7	60.25	0.55	4.8	8	100.00%
MDH011		2432118	6552665	3364	108.05	270	-60	Results Pending. No visible mineralisation					
MDH012	Manantial	2432107	6552824	3340	105.30	270	-70	45.45	50.4	4.95	1.746	15	74.90%

including								45.45	47.05	1.6	2.618	21	72.90%
which includes								46.4	47.05	0.65	4.79	27	64.50%
and								49.45	50.4	0.95	3.18	31	79.26%
MDH013	Manantial	2432178	6552901	3288	144.90	270	-55	87.5	91	3.5	1.09	3	72.00%
including								87.5	88.55	1.05	2.27	3	65.00%
MDH014	Manantial	2432171	6552861	3307	137.30	270	-60	94.28	102.62	8.34	3.07	6	99.16%
including								99.2	102.62	3.42	6.53	12	97.95%
which includes								99.2	102.62	2.41	8.827	14	98.15%
which includes								99.2	99.9	0.7	19.4	28	100.00%
MDH015	Julieta Norte	2433805	6551874	3355	61.65	50	-60	16.79	19.5	2.71	0.81	NSV	100.00%
MDH016	Julieta Norte	2433703	6551971	3350	51.10	40	-60	28.4	29.73	1.33	2.11	6	100.00%
including								29.73	30.75	1.02	4.42	16	100.00%
MDH017	Julieta Norte	2433781	6551876	3358	75.00	40	-60	62.9	63.65	0.75	4.865	7	100.00%
MDH018	Julieta Norte	2433748	6551909	3352	64.90	40	-60	NSR					
MDH019	Manantial	2432164	6552828	3324	115.75	270	-50	82.78	96.4	12.62	5.04	37	98.77%
including								83.36	88.55	5.19	11.355	65	98.18%
which includes								85.3	86	0.7	57.4	350	92.00%
and								87.15	87.88	0.73	13.8	72	100.00%
				Total metres	1635.67								
				- Manantial	1283.02								
				- Julieta Norte	252.65								

- Notes:
- ¹ All coordinates are reported in Gauss Krugger, Campo Inchauspe, Band 2 and surveyed by a qualified surveyor using a Differential GPS.
 - ² All Azimuths are reported in degrees relative to Magnetic North. Orientation data presented in Table 1 represents collar data.
 - ³ All sample widths are Intersection or Apparent Widths and may not represent the true widths of the mineralisation.
 - ⁴ Assay results presented are Certified Final Assays. A 0.5ppm gold cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than two metres width within an intersection were included in the intersection. No upper cut-off was applied.
 - ⁵ Core recoveries presented are for the mineralised intervals only and are not representative of the entire drill hole.
- NSR: No Significant Results. Assay results for holes MDH005 and MDH011 pending. These are low priority holes due to a lack of visible mineralisation.

Figure 4: Manantial vein drill hole locations

