

26 OCTOBER 2010

HIGH-GRADE POLYMETALLIC MINERALISATION DISCOVERED AT SANTO DOMINGO

Highlights

- New prospect hosting previously unrecognised high-grade silver, lead, zinc and gold mineralisation.
- Peaks of 3,552 g/t silver, 9.5% lead, 16.4% zinc and 7.3g/t gold.
- Mineralisation identified over 2.5 kilometres of vein outcrops, open in all directions.
- Potential for a low-tonnage, high-grade deposit in addition to the previously identified porphyry style mineralisation at Santo Domingo.

Yvette polymetallic vein system

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce the discovery of a previously unrecognized, high-grade, polymetallic vein zone at the Santo Domingo project in San Juan Province, Argentina.

The Yvette vein system was discovered during reconnaissance exploration east of the El Arriero porphyry prospect. Old historic mine workings are scattered along the trends of three, previously unidentified veins with a total strike length 2.5 kilometres. Widespread sampling over the prospect area is underway and the first assay results from selective rock chips over old mine dumps included:

- 3,552 g/t silver, 2.2 % lead, and 16.4 % zinc; and
- 1,543 g/t silver, 9.5 % lead, 13.6 % zinc and 7.3 g/t gold.

Representative (fixed length continuous samples) rock chip samples from vein material included:

- 0.3 metres at 1,089 g/t silver, 24.2 % lead, 13.4 % zinc, and 1.1 g/t gold;
- 0.8 metres at 606 g/t silver, 0.3 % lead, 3.1 % zinc, and 0.5 g/t gold; and
- 0.4 metres at 556 g/t silver, 22.7 % lead, 1.2 % zinc, and 1.5 g/t gold.

Table 1 summarises the first assay results from rock chip sampling. A further 31 rock-chip sample results are pending from on-going exploration work. The focus of on-going exploration is to expand the size of the known mineralised area, which is open in all directions, and delineate targets ready for drilling in 2011.

The Company believes the area has potential for a low tonnage, high-grade deposit amenable to underground mining. This would be separate from any future development of the porphyry systems at Santo Domingo.

Table 1: Yvette vein sample results

Sample ID	Sample type	Sample length (m)	Silver (g/t)	Lead (%)	Zinc (%)	Gold (g/t)
RA001743	Selective Chip*	4.00	82	1.57	3.67	0.16
RA001744	Outcrop Chip	0.40	556	22.72	1.20	1.45
RA001745	Outcrop Chip	0.20	45	1.39	3.18	0.47
RA001746	Outcrop Chip	0.80	180	1.07	2.31	1.61
RA001747	Outcrop Chip	0.80	606	0.31	3.11	0.51
RA001748	Outcrop Chip	0.70	7	0.01	0.06	<0.005
RA001749	Selective Chip*	4.00	1,543	9.45	13.62	7.31
RA001750	Outcrop Chip	1.30	128	0.18	0.18	0.03
RA001788	Selective Chip*	4.00	39	0.12	0.24	0.01
RA001789	Selective Chip*	4.00	183	0.65	1.18	<0.005
RA001790	Outcrop Chip	0.30	<1	0.01	0.02	<0.005
RA001791	Selective Chip*	4.00	168	0.96	2.82	0.01
RA001792	Outcrop Chip	0.30	47	0.57	0.92	<0.005
RA001793	Outcrop Chip	0.30	16	0.41	0.31	0.01
RA001794	Selective Chip*	4.00	3,552	2.19	16.44	0.01
RA001795	Outcrop Chip	0.30	1,089	24.16	13.43	1.12
RA001796	Outcrop Chip	0.40	27	0.33	0.53	0.01
RA001797	Outcrop Chip	0.50	65	0.08	0.71	0.01
RA001798	Outcrop Chip	0.20	30	0.13	0.74	0.03
RA001799	Outcrop Chip	0.80	10	0.03	0.16	<0.005
RA001800	Outcrop Chip	0.40	245	0.63	1.65	0.04
RA001801	Outcrop Chip	2.00	14	0.03	0.28	0.02
RA001802	Selective Chip*	4.00	603	1.00	2.96	0.18

Note: * Selective rock chip samples are from old mines dump material. Lengths indicate the radius of sample collection.

Location and logistics

The Yvette vein system is located at low altitude on the eastern margin of the La Huerta range, two kilometres southeast of the El Arriero porphyry prospect and twelve kilometres west of highway N°510 (Figure 1).

Unlike the Santo Domingo porphyry targets, the Yvette target will have all year-round exploration access and relatively simple logistics for fieldwork and drilling.

On-going exploration activities

The short term focus of on-going exploration at Yvette is to expand the size of the known mineralised area through further sampling and geological mapping. This will include delineating new vein segments and exploring for potential strike extensions to the north and south.

Subject to the success of the on-going field program, geophysics and a drilling program will be planned for the second half of calendar 2011.

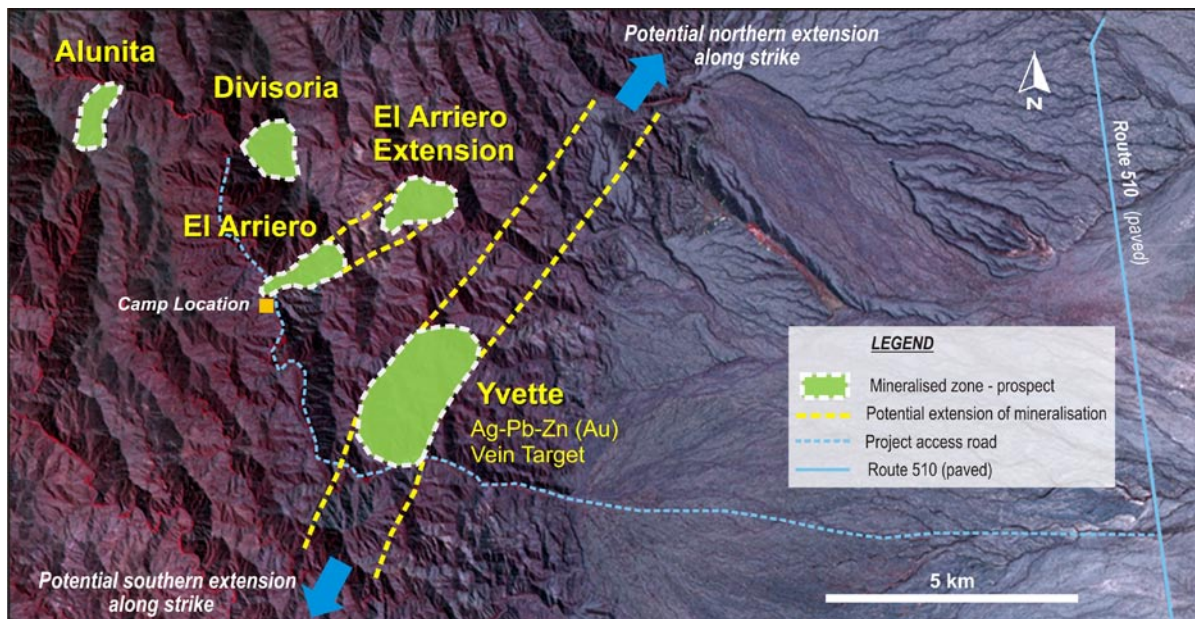


Figure 1: Location of the Yvette prospect at Santo Domingo

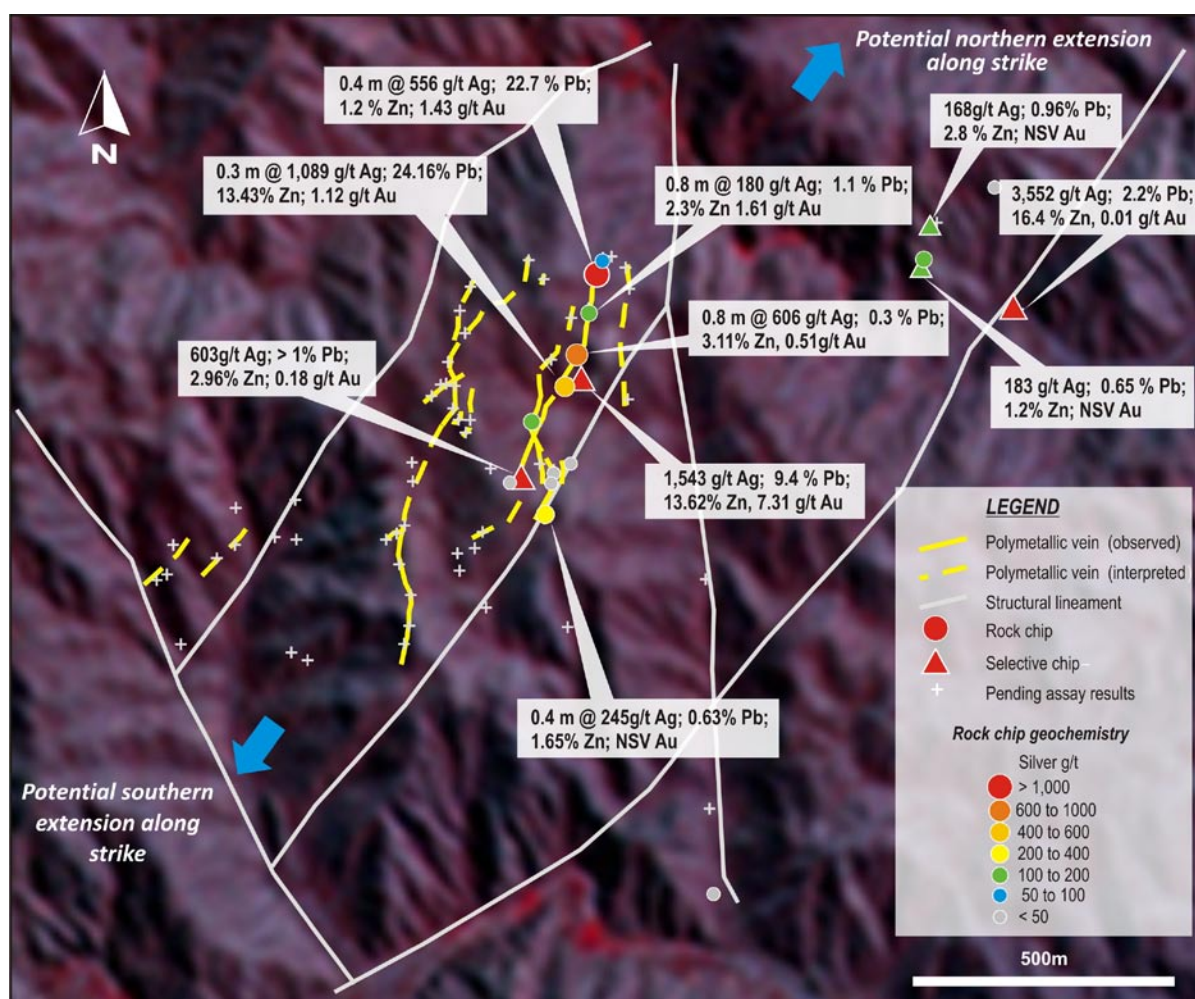


Figure 2: Yvette Polymetallic vein prospect showing the locations of selective (spoil) and representative rock-chip samples with Ag-Pb-Zn-Au grades labelled.

Geological overview

The Yvette polymetallic vein system was discovered in early October during regional reconnaissance mapping east of the El Arriero prospect.

The prospect was initially identified through analysis of satellite imagery anomalies in conjunction with structural lineaments in areas with indications of small-scale historic mine workings. The old workings are believed to be more than 100 years old and there has been no modern exploration on this prospect.

Preliminary mapping has found that the Yvette vein system is comprised of at least three sub-parallel veins hosted within a northeast trending structure dipping to the northwest at between 50° and sub-vertical. Vein widths vary between 0.2 and 2.0 metres. Vein occurrences on surface are limited to discrete, discontinuous outcrops and sub-crops pinching and swelling both along strike and to depth, as seen in the old workings. The vein segments display changes in azimuth suggesting potential splays or extensional zones. The outcrop is discontinuous with overlying soils and talus. At this early stage the average width cannot be reliably estimated.

The wall rocks are granitoids and gneisses of the Precambrian metamorphic sequences of the Pampean Ranges. These are strongly oxidised and clay-altered within the shear zones containing the polymetallic veins, which potentially may be used as indicators to identify further blind vein occurrences.

The Yvette prospect contains polymetallic veins composed of quartz, sericite, carbonate and massive sulphide bands (galena and sphalerite). The sulphide bands are mainly located in the footwall zone of the vein, to a lesser extent in the hanging wall zone and as narrow veinlets in the inner part of the vein, as well as in the wall rock (Figure 3). The veinlets are accompanied by strong oxidation.



Figure 3: Visible galena in quartz

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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. Please visit us at www.elementos.com.au



SAMPLE QUALITY CONTROL AND ASSURANCE

The chip-channel sample widths presented above are sample intersection widths and may not represent the true widths of mineralisation. Gold assay results presented above are finals and have been calculated using a 0.5 g/t gold cut-off grade. Gold intervals are weighted averages of sample length multiplied by gold grade.

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. Samples returning greater than 10 g/t gold and/or greater than 100 g/t silver are assayed using gravimetric analysis.

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.