28 January 2011

PROSPECTUS – NON-RENOUNCEABLE RIGHTS ISSUE

Attached is the prospectus lodged with the ASX today in relation to the non-renounceable rights issue.

For more information, please contact:

Corey Nolan
Managing Director
Phone: +61 (7) 3871 3985
Email: admin@elementos.com.au

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

Elementos Limited

ACN 138 468 756

Prospectus

Non-Renounceable Rights Issue

A non-renounceable rights issue of 1 New Share for every 4.48 Shares held by Eligible Shareholders as at 7.00pm AEDT on 8 February 2011 at an issue price of 26 cents per New Share to raise approximately $3,610,000 before costs of the Offer.

The Rights Issue closes at 5.00pm AEDT on 25 February 2011.

Important Information

This document is important and requires your immediate attention. It should be read in its entirety. Please read carefully the instructions on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement. If you are in doubt as to the course you should follow, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately. An investment in New Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

IMPORTANT INFORMATION

This Prospectus is dated 28 January 2011 and was lodged with ASIC on that date. No responsibility as to the contents of this Prospectus is taken by ASIC or ASX. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act.

The Offer is made only to those Eligible Shareholders with registered addresses in Australia, New Zealand and Hong Kong and only those Shareholders will be offered New Shares.

In making this Offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act Overseas Companies Exemption Notice 2002* (NZ), by virtue of which this Prospectus is not required to be registered in New Zealand.

The Company has not made any investigation as to the regulatory requirements that may apply in countries outside Australia, New Zealand and Hong Kong, in which the Company's shareholders may reside. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand and Hong Kong may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions.

Please read this document carefully before you make a decision to invest. An investment in the Company is speculative and has specific risks that you should consider before making a decision to invest.

The resource estimates in respect of the Company's exploration projects in this Prospectus are based on information compiled by Neil Stuart, who is a fellow of the Australasian Institute of Mining and Metallurgy and who is a non-executive Director the Company. He has sufficient experience to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting Exploration Results, Mineral Resources and Ore Reserves. Neil Stuart has consented to the inclusion of this information in the form and context in which it appears in this Prospectus.

Certain words and expressions used in this Prospectus are defined in the Glossary in Section 8.

The information in this Prospectus is not financial product advice and has been prepared without taking into account your personal investment objectives, financial circumstances or particular needs.

1. Chairman's Letter to Shareholders

28 January 2011

Dear Shareholders

On behalf of the Board of Directors of Elementos Limited, it is my pleasure to invite you to participate in the continuing growth of Elementos through a pro rata non-renounceable rights issue.

On the 29th December 2010 Elementos announced its intention to raise $7.2 million through a private placement to cornerstone investors, combined with an entitlement issue. A recently completed private placement to Andes Investors LLC raised $2.1 million. An additional private placement, raising $1.5 million from sophisticated investors including Belmont Park Investments Pty Ltd and Panorama Ridge Pty Ltd, is subject to approval by shareholders at a meeting to be called in late February. Elementos is now inviting eligible shareholders to participate in the capital raising through a non-renounceable rights issue for up to $3.6 million.

Since completing our Initial Public Offering just over a year ago, Elementos has been advancing its projects in Argentina and I am pleased to say that, in my opinion, we have delivered on the expectations set out in that IPO. We now can move into a new phase for the Company, building on the solid foundations we have created.

The proceeds from the private placement and entitlement issue will be used to accelerate the 2011 exploration programme which initially will be focused on drilling multiple targets at both the Manantiales and Santo Domingo projects in Argentina. We are also planning to drill the Millenium project in Australia later in the year.

The Company is also examining new growth opportunities in Argentina, Chile and elsewhere.

This 1 for 4.48 rights issue is being made to Eligible Shareholders at the same price as the recently completed placement to Andes Investors LLC. The completion of the Offer, combined with the recent placement to Andes Investors LLC and the proposal to issue $1.5 million to other sophisticated investors (subject to Shareholder's approval), will mean that the Company will have raised approximately $7.2 million. As a result, the Company will have approximately $11.8 million in cash reserves to enable it to accelerate its 2011 exploration and corporate development programme.

On behalf of the Directors, I commend the Offer to you.

Yours Sincerely

A Anthony McLellan
Chairman
Elementos Limited

2. Investment Summary

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus and in particular, Section 3.

2.1 The Offer

This Prospectus is for a non-renounceable rights issue of approximately 13,900,000 New Shares at an issue price of 26 cents per New Share on the basis of 1 New Share for every 4.48 Shares held by Eligible Shareholders as at the Record Date of 8 February 2011.

The Company intends to apply for quotation of the New Shares on ASX as within 7 days of the date of this Prospectus.

2.2 Fractional Entitlements

Fractional entitlements will rounded down to the nearest whole number.

2.3 Minimum Subscription

There is no minimum subscription to the Offer.

2.4 New Share Terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. Refer to Section 7.4 for a summary of the rights and obligations attaching to New Shares.

2.5 What should Shareholders do?

Eligible Shareholders may:

- take up all their Entitlement;
- allow all their Entitlement to lapse;
- take up some of their Entitlement and allow the balance to lapse; or
- take up all of their Entitlement and apply for Additional New Shares.

For more information about the above, refer to Section 3.

2.6 Acceptance of Entitlements and Applications for Additional New Shares

The number of New Shares each Eligible Shareholder is entitled to Accept by virtue of its Entitlement, is shown on the Entitlement and Acceptance Form accompanying this Prospectus.

Entitlements to New Shares can be Accepted in full or in part by completing and returning the Entitlement and Acceptance Form in accordance with the instructions set out below and on the Entitlement and Acceptance Form itself.

Subject to the Corporations Act, Additional New Shares will be available if Eligible Shareholders do not Accept all of their Entitlements under the Offer. Refer to Sections 3.5 and 3.6 for detailed information.

2.7 Shortfalls

If there is a Shortfall, the Directors will apply the allocation procedure set out in Sections 3.5 and 3.6.

The procedure involves allocation of New Shares not Accepted by way of Entitlement by Eligible Shareholders, pro-rata to other Eligible Shareholders who have taken up their Entitlements in full and also applied for Additional New Shares. If there are still unallocated New Shares after that, the Directors reserve the right to place the unallocated New Shares as they in their discretion see fit, subject to the Listing Rules and the Corporations Act.

2.8 Purpose of the Offer

The Directors intend to apply the proceeds of the Offer to:

(a) Accelerate the Company's planned 2011 exploration programme;

(b) Pursue additional growth opportunities;

(c) Meet the Company's commitments under Options to Purchase Agreements under which the Company's acquired rights to its projects;

(d) meet other corporate and Offer costs; and

(e) working capital.

An overview of the Company's projects is set out in Section 4.

2.9 Directors' intentions concerning the Offer

Set out below, is a table summarising the direct and indirect interests of Directors in the securities of the Company, the Entitlement of each Director and how they intend to treat their Entitlement:

Director	Shares	Entitlement	Intentions
Neil Francis Stuart	1,935,222	431,969	Accept in full
Corey Nolan	120,000	26,786	Accept in full
Allan Anthony McLellan	Nil	Nil	n/a
Mark McCauley	Nil	Nil	n/a
James Calaway	10,129,256	2,260,995	Will accept some or all of the entitlement

2.10 Underwriting

The Offer is not underwritten.

2.11 Risks

An investment in the Company is speculative and carries significant risks, some of which apply to all investments in shares, while others are specific to the Company. Although it is important that investors read and carefully consider this Prospectus in its entirety, investors are specifically directed to consider the risks set out in Section 6 when considering whether or not to invest in the Company.

3. Details of the Offer

3.1 The Offer

The Company is making a pro-rata non-renounceable rights issue to Shareholders who are registered at 7:00pm AEDT on 8 February 2011 (**Record Date**) of New Shares at an issue price of 26 cents each, to raise approximately $3,610,000 (before expenses of the Offer).

The New Shares will be offered on the basis of 1 New Share for every 4.48 Shares then held.

The maximum number of New Shares which may be issued under this Prospectus is approximately 13,900,000. In the calculation of any Entitlement, fractions will be rounded down to the nearest whole number.

If an Eligible Shareholder does not take up all its Rights by the Closing Date, those Rights will lapse and its shareholding in the Company will be diluted.

Eligible Shareholders who wish to take up more than their Entitlement may purchase Rights, subject to the provisions of the Corporations Act, or they may apply for Additional New Shares.

3.2 Shortfall

In the event that there is a Shortfall under the Offer, the Directors will follow the procedure for allocation set out in Sections 3.5 and 3.6.

3.3 Choices available to Eligible Shareholders in relation to the Offer

Each Eligible Shareholder's Entitlement to New Shares is shown on the Entitlement and Application Form at the end of this Prospectus. Each Eligible Shareholder may:

- take up all their Entitlement;
- allow all their Entitlement to lapse;
- take up some of their Entitlement and allow the balance to lapse; or
- take up all of their Entitlement and apply for Additional New Shares.

3.4 Timetable and Important Dates

The table below set out key dates of the Offer. These dates are indicative only and may be subject to change, subject to the Listing Rules and the Corporations Act:

Event	Date
Rights issue prospectus lodged with ASIC and ASX	28 January 2011
Notice with information on Rights Issue sent to Shareholders	28 January 2011
Shares commence trading on ASX on an ex rights basis	2 February 2011

Record date for participation in rights issue	8 February 2011
Prospectus dispatched to Shareholders	10 February 2011
Closing time and date for acceptance and payment in full under rights issue (5.00pm AEDT)	25 February 2011
Shares quoted on a deferred settlement basis	28 February 2011
Notice of under-subscriptions to ASX	1 March 2011
Allotment of New Shares and Despatch of Shareholder Statements for New Shares issued under Offer	3 March 2011
Normal Trading commences for New Shares on ASX	4 March 2011

3.5 How to deal with Entitlements and applications for Additional New Shares

Entitlements

The number of New Shares to which each Eligible Shareholder is entitled by way of its Entitlement, is shown on the enclosed Entitlement and Acceptance Form.

Eligible Shareholders may accept their Entitlement either in part or whole.

Additional New Shares

Subject to the Corporations Act, Additional New Shares will be available to the extent that all Eligible Shareholders do not Accept their Entitlements under the Offer. In this event, the Directors will follow the allocation procedure set out below:

(a) Shareholders who Accept their full Entitlement can apply for Additional New Shares by following the instructions in the Entitlement and Acceptance Form, but are not guaranteed to receive any Additional New Shares, the issue of which is subject to the allocation procedure set out below.

(b) Applications from Shareholders for Additional New Shares will be dealt with as follows:

(i) To the extent that Acceptances received for New Shares based on Entitlements are for fewer New Shares than the total number of New Shares to be issued under the Offer (**First Shortfall**), each Eligible Shareholder who has taken up their full Entitlement and also applied for Additional New Shares will be allocated their proportionate share of the First Shortfall (having regard to their shareholdings as at the Record Date);

(ii) If an Eligible Shareholder applied for Additional New Shares but has specified a maximum number of Additional New

Shares which is less than the amount of Additional New Shares which that Shareholder would otherwise be allocated under this process, that Shareholder will be allocated the lesser amount;

(iii) If, following allocation of the First Shortfall, there remain unallocated New Shares (**Second Shortfall**), the above allocation process will be repeated in respect of the Second Shortfall and any subsequent Shortfalls until either all the New Shares proposed to be issued under the Offer have been allocated or all applications for Additional Shares have been satisfied in full;

(iv) Eligible Shareholders who are successful applicants for Additional Shares will be notified in writing of the number of New Shares (including Additional New Shares) allotted to them in accordance with Section 3.15; and

(v) If a Shortfall remains after all applications for Additional New Shares have been satisfied in full in accordance with Sub-Sections (i) to (iii), then subject to the Corporations Act and the Listing Rules, the Shortfall will be dealt with as set out in Section 3.6.

3.6 Shortfall at the Directors' discretion

In the event that there is a Shortfall in subscriptions under the Offer after the application of the allocation procedure in Section 3.5, the Directors reserve the right to allocate any Shortfall in their absolute discretion so as to ensure a maximum amount of funds are raised, including by way of placement.

3.7 How to apply and pay for New Shares

Eligible Shareholders deciding to accept all or some of their Entitlement (and if applicable, apply for Additional New Shares) must do so in accordance with the instructions set out on the accompanying Entitlement and Acceptance Form.

If you are in doubt as to the course of action to be taken, you should consult your professional adviser.

Please read all the instructions regarding Acceptance on the reverse side of the accompanying Entitlement and Acceptance Form carefully.

An Eligible Shareholder's Entitlement will lapse unless a completed Entitlement and Acceptance Form for both the Entitlement being Accepted by the Eligible Shareholder and any Additional New Shares applied for, reaches the Company's Share Registry by the Closing Date.

Payment of Acceptance Monies of 26 cents per New Share (**including for any Additional New Shares applied for**) pursuant to the Offer must be made in full on Acceptance and must accompany the duly completed Entitlement and Acceptance Form.

The Closing Date for the Offer is 5:00pm AEDT on 25 February 2011.

The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date. As a result, the date the New Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

Acceptances must be forwarded to the Company's Share Registry, the details of which are as follows:

Registries Limited

Delivery:

207 Kent Street, Sydney NSW 2000

Mail:

GPO Box 3993, Sydney NSW 2001

You can contact Link Market Services Limited using the numbers below:

Telephone (Australia): 1300 737 760

Telephone (International): +61 2 9290 9600

Cheques in respect of Acceptances for New Shares (including Additional New Shares) must be in Australian currency drawn on an Australian bank, made payable to **"Elementos Limited"** and crossed "Not Negotiable".

To the extent that there is any surplus Acceptance Monies because not all Additional New Shares applied for are allocated to Eligible Shareholders, the Company will refund the surplus Acceptance Monies without interest as soon as practicable after close of the Offer.

3.8 Part Acceptance and allowing the balance to lapse

If an Eligible Shareholder wishes to take up only part of its Entitlement and allow the balance to lapse, the Eligible Shareholder should complete the Entitlement and Acceptance Form for those Rights they wish to Accept and do nothing in relation to the balance of their Entitlement, which will lapse on the Closing Date.

3.9 Dilution

The interest in the Company of any Eligible Shareholder who does not take up its full Entitlement, will be diluted, unless the Shareholder acquires more Shares on ASX. Eligible Shareholders who take up their full Entitlement will not have their interest diluted as a result of the Offer.

3.10 Terms and Conditions of Acceptances

All correctly completed Entitlement and Acceptance Forms accompanied by Acceptance Monies received by the Share Registry will be treated as an Acceptance of the Offer to acquire New Shares on the terms and conditions set out in this Prospectus and with the rights set out in the Constitution.

3.11 Payment by BPAY

Payment in respect of Acceptances for New Shares (including any Additional New Shares applied for) may also be made using the Company's BPAY facility. Eligible Shareholders should follow the instructions on the Entitlement and Acceptance Form if they decide to use the BPAY facility and must also ensure that their banking facilities can support use of BPAY.

3.12 Minimum Subscription

There is no minimum level of subscription for the Rights Issue.

3.13 Oversubscriptions

Oversubscriptions will not be accepted, other than applications for Additional New Shares as set out and subject to the conditions in Section 3.5.

3.14 Overseas Shareholders

The Offer is not being made to any Shareholders with registered addresses outside Australia, New Zealand and Hong Kong as at the Record Date (**Excluded Shareholders**). The Company has determined that it is unreasonable to extend the Offer to Excluded Shareholders, having regard to the number of Shareholders residing in such jurisdictions, the number and value of New Shares they would be offered and the costs of complying with the legal, governmental and other regulatory requirements in those jurisdictions.

The Company will send details of the Offer and advice to Excluded Shareholders that they will not be included in the Offer.

3.15 Allotment

The New Shares will be allotted and issued and Statements of Holdings for the New Shares will be mailed as soon as possible after the Closing Date, subject to the Listing Rules. No New Shares will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

3.16 Official Quotation on ASX

Application for official quotation of the New Shares on ASX will be made by the Company within seven days of the date of this Prospectus. Application for official quotation of Shares allotted and issued as a result of the exercise of Entitlements under this Prospectus will be made within three Business Days of allotment and issue of the New Shares.

If ASX does not grant official quotation of the New Shares within three months of the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the New Shares offered by this Prospectus will be issued. In that event, all Acceptances will be dealt with in accordance with Section 724 of the Corporations Act and Acceptance Monies will be refunded without interest.

3.17 Option Holders

Option Holders will not be entitled to participate in the Offer unless they:

(a) have become entitled to exercise their Existing Options under the terms of their issue (as amended) and do so prior to the Record Date; and

(b) participate in the Offer as a result of being a holder of Shares registered on the Register at 7.00pm AEDT on the Record Date.

There are 2,200,000 Existing Options on issue capable of being converted into Shares by their holders during the Offer Period. If Option Holders elect to exercise all currently vested Existing Options prior to the Record Date, a further 2,200,000 Shares Entitled to participate in the Offer would be issued. The exercise of the vested Existing Options would raise $572,000. The exercise of the Entitlements to subscribe for New Shares attaching to these additional 2,200,000 Shares would result in the issue of an additional 491,071 New Shares and raise an additional $127,678.

The Directors have not received any information about whether or not or to what extent, if any, the holders of Existing Options intend to convert their Options into Shares prior to the Record Date.

3.18 Electronic Prospectus

An electronic version of this Prospectus is available on the internet at *www.elementos.com.au*. The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of this Prospectus. The Company will not accept any completed Entitlement and Acceptance Form if the Company has reason to believe that the investor has not received a complete paper or electronic copy of this Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or an electronic copy of the Prospectus has been altered or tampered with in any way.

4. Company Overview

4.1 Introduction

Elementos is an Australian-based exploration company, listed on ASX (ASX: *ELT*). Exploring for high grade gold-silver and copper targets is the focus of Elementos, which has interests in a portfolio of four properties in three mineral provinces in two countries, namely Argentina and Australia.

Elementos' vision is to create shareholder value through the exploration and discovery of economic mineral deposits and to realise this value through development.

Elementos plans to achieve this objective by:

1. **Targeting projects in world class mineral provinces:**
   - Andes mountains – exploring for large copper-gold mineral deposits; and
   - Mt Isa Inlier – richly endowed with significant copper/gold/lead/zinc/silver deposits.

2. **Exploiting opportunities in commodities with attractive long term fundamentals:**
   - Copper and gold, the Company's focus, have attractive supply and demand fundamentals.

3. **Leveraging geological expertise and experience:**
   - Discovering and developing low sulphidation epithermal gold deposits; and
   - Monetising high sulphidation and porphyry deposits through partnerships with corporations that have the financial, technical and commercial expertise and capability.

4. **Transacting value-adding merger and acquisition opportunities:**
   - Establishing a competitive advantage through acquisition of assets early in the discovery to development life cycle, with significant geological potential and attractively priced for shareholders.

Elementos' projects are located in highly prospective geological locations, with developed infrastructure located nearby and an attractive investment environment.

Argentina

San Juan is an attractive region for mining and exploration in Argentina, due to its geology and mineral prospectivity.

Santo Domingo, located in San Juan, comprises two mineralisation targets:

1. Yvette - silver, lead, zinc and gold low-sulphidation epithermal vein target, with mineralisation identified over 2.5 kilometres of strike length and open in all directions; and
2. Divisoria - gold-copper porphyry target, open in all directions.

On-going exploration and drilling is planned to define the potential of the systems.

Manantiales is located within a high-grade epithermal gold district.

Elementos has initially identified three main vein systems (Manantial, Julieta Norte and La Puerta group) and completed an initial drilling programme at Manantial and Julieta Norte.

A gold-silver vein system has been located at relatively shallow depths at Manantial and is open to the north, south and depth. Further drilling planned for March 2011 will aim to test the potential of the system and drill new targets identified in the current field programme.

Australia

Queensland - Millenium is situated in the Mt Isa Inlier. The district has established mining, transportation and processing infrastructure.

Millenium contains a zone of cobalt mineralisation, identified through historical drilling. Exploration is focused on assessing the potential for an open cut cobalt operation, producing a high value cobalt metal with copper-gold credits.

New South Wales - Cathedral Rocks is an early-stage exploration opportunity targeting gold and base metal mineralisation.

4.2 Corporate Development

The Company is seeking acquisitions in the Andes region and is currently reviewing a number of opportunities in Argentina, Chile and elsewhere.

Currently, the Company is considering acquiring interests in both green-field and brown-field assets, including properties with defined Resources.

4.3 Manantiales

Overview

Manantiales is situated 150 kilometres north-west of the city of San Juan, and comprises a number of exploration leases covering 97 square kilometres. Access is by sealed roads to the town of Callingasta, 30 kilometres southeast of Manantiales and from there, via sealed and dirt roads. Local infrastructure and logistics include power, water and labour. The relatively low altitude is expected to facilitate year-round access for exploration and development activities.

Manantiales is located within a relatively unexplored low sulphidation epithermal district.

Early exploration activities focused on mapping and sampling two vein systems identified from historical rock chip samples at Julietta Norte and La Puerta. During the initial field program, a new vein was discovered at Manantial, 1.5 kilometres west of Julietta Norte.

A program of mapping and surface channel sampling of the Manantial and Julieta Norte vein systems was completed to drill-ready status within six months of the IPO.

Recent exploration activities

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

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

The drilling programme to date has been designed to test the Manantial vein. The stratigraphy and geochemistry suggests that the Manantial vein may represent a shallow epithermal level, suggesting potential for a preserved system at depth.

Drill testing to greater depth is planned during the next phase of drilling.

La Puerta Este vein discovery

The La Puerta Este vein is situated 500 metres east of the La Puerta vein. The vein dips steeply to the west and extends 500 metres along strike. The steep topography around the vein presents a vertical exposure of 250 metres along strike, which will allow the testing of the vein at different epithermal levels, which was seen to be significant in the recent drilling of Manantial vein.

As also previously recognised at the Manantial vein, the stratigraphy and geochemistry suggests that the La Puerta vein at surface represents a shallow epithermal level, suggesting potential for a preserved system at depth.

Exploration strategy

The follow-up programme involves further drilling and the continuation of the regional exploration programme currently underway.

Planning for a second drill programme comprising 3000 metres in early 2011 will be aimed at:

- Testing extensions of 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 group of vein systems, including the La Puerta Este discovery. Target generation will first cover the five kilometres of untested ground between the La Puerta and Julieta Norte veins and gradually work northwards.

4.4 Santo Domingo

Overview

The Santo Domingo project is situated 120 kilometres east of San Juan city and comprises a series of exploration tenements covering 215 km². Santo

Domingo is a relatively low altitude project with well established regional infrastructure and access compared to higher Andes Cordillera projects.

The project area is characterised by a significant number of historic small scale gold and base metal workings. Exploration activities before the Company's Initial Public Offering were limited to reconnaissance scale mapping and outcrop and talus sampling.

In conjunction with detailed ASTER satellite imagery interpretation, three large prospective alteration zones have been identified, mapped and sampled at El Arriero, Alunita and Divisoria. In addition to visible pyrite and copper mineralisation, anomalous copper/gold/molybdenum mineralisation is widespread across the main target zones.

Recent exploration activities

Yvette

The Yvette high-grade, polymetallic vein system was discovered during reconnaissance exploration east of the El Arriero porphyry prospect. Historic mine workings are scattered along the trends of three, previously unidentified veins with a total strike length of 2.5 kilometres.

Divisoria

Divisoria is a gold-copper porphyry mineralised system with a footprint of 300 x 200 metres, open in all directions. Key characteristics of the system include:

- Wide-spread disseminated porphyry gold-copper mineralisation and small gold, copper and polymetallic veins and breccias;
- A strong, porphyry related, zoned alteration system, (including potassic alteration), an indicator of close proximity to the core of a porphyry system; and
- Location on a structural intersection inside a large circular feature, which also encompasses the El Arriero and El Arriero Extension prospects.

The Divisoria exploration programme commenced in August 2010, following up historical reconnaissance sampling. Work completed to date includes field mapping and sampling over an area of 600 square metres. The on-going programme is aimed at generating drill targets through:

- Targeting higher-grade zones within porphyry stockwork mineralisation; and,
- Expanding the size of vein and breccia structures along strike and to depth.

Divisoria may represent the margin of a larger system at a shallow depth.

Exploration strategy

The Santo Domingo mineralised environment is proving to be large, with a number of different mineralised styles and structures, all corresponding to different levels within a porphyry environment. These are hosted within a circular feature approximately four kilometres across which is still only partially explored. A preliminary conceptual geological model of the Santo Domingo project incorporates:

- Divisoria – gold-copper porphyry with cross cutting gold-copper-base metal veins and breccias;
- El Arriero and El Arriero Extension – porphyry environment representing the periphery of a porphyry system;
- Alunita – transitional porphyry – epithermal target (currently being explored by the Company); and,
- Yvette – distal veins of silver-polymetallic vein mineralisation.

The Santo Domingo district has potential to be a significant centre of mineralisation. The focus of on-going exploration at each prospect includes:

- Yvette - expanding 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 programme, geophysics and a drilling programme are planned for early 2011;
- Divisoria - expanding the Au-Cu disseminated mineralisation zone which is open in all directions, through further sampling in untested areas. The aim is to prepare drill targets within the disseminated mineralisation as well as the vein and breccia targets, which offer the potential for near surface mineralisation;
- Alunita, El Arriero and the El Arriero Extension – follow-up fieldwork and drill target generation, although these are potentially slightly deeper targets than in Divisoria and are subsequently of lower priority; and
- District-scale exploration across the 250 km^2 tenement package, which remains largely unexplored.

4.5 Millenium

Overview

Millenium is located in Queensland, 35 kilometres northwest of Cloncurry, accessible via a well maintained gravel road.

Millenium is situated in the Mt Isa Inlier, a gold and base metal producing region. The district has established mining, processing and transportation infrastructure in close proximity to the major regional centres of Mt Isa and Cloncurry.

Recent exploration activities

The Company's first geological mapping and sampling programme at Millenium was completed in June 2010. The aim of the programme was to extend the mapping and analytical data over the northern half of the leases.

Mapping and sampling have confirmed that:

- copper-cobalt mineralisation extends one kilometre to the north on surface before disappearing under cover;
- These copper values are comparable to copper channel samples from historic costeaning; and
- There are parallel structures, close-spaced, within the southern mineralisation.

Exploration strategy

The Company has concentrated on building its tenement position in the Cloncurry area and lodged applications for new tenements north and north-east of the Millenium Mining Leases ("ML's") totalling 254 square kilometres.

Exploration work will focus on:

- Reconnaissance mapping and sampling along the line of the structural trend;
- A broad-scale soil sampling programme to delineate anomalies and help identify areas of potential mineralisation;
- Follow-up geophysical surveying to set targets for drilling; and
- Exploratory drilling of the targets generated, along with confirmation drilling of the known mineralisation.

4.6 Cathedral Rocks

Review

Cathedral Rocks, comprising a 128 km^2 lease, is located 50 kilometres east of Armidale, northern NSW.

Access is by paved roads and a network of farm tracks and excellent support infrastructure and local services are available in Armidale.

Recent exploration activities

Mapping and sampling programmes, targeting regions known for gold, molybdenum and tin mineralisation, are well advanced. Two anomalies have been identified from historical records and are the focus of the current field campaign. Mapping has identified lead, zinc and tin mineralisation in an alteration related to dykes cutting the boundary of granites and their host rocks.

A molybdenum anomaly has been identified from a review of historical exploration data, which is considered significant due to the strong association of gold with molybdenum in intrusion related gold systems (IRGS).

This prospect, located in the east of the Cathedral Rocks tenement, has been reported to have a number of soil samples with highly anomalous molybdenum values, but was historically never analysed for gold. It is considered likely that the area is prospective for gold, molybdenum, silver and tin.

Mapping and sampling of this prospect is scheduled to begin early in July 2011. Preliminary results have returned geochemical signatures which appear to confirm Intrusive Related Gold (IRG) style mineralisation in some parts of the property.

Prospectivity and exploration target

Intrusive Related Gold Systems are a style of mineralisation where the minerals are deposited in halos in and around large granitic intrusions characterised by suites of pale felsic granites (Leucogranties). Gold, molybdenum and tin deposits are known to be related to intrusives.

The Company is focusing on an area of hornfels (baked country rock) that is suspended in the roof of the Round Mountain Adamellite. Hornfels are a brittle rock that forms fractures and open spaces easily when faulted, which can then be mineralised by the fluids generated from the intrusion.

Historical drilling has been in a localised area using outdated exploration models. No exploration has been undertaken for gold, or an intrusive related gold system style deposit.

New understanding of intrusive related gold systems shows that Cathedral Rocks has the required structure and lithologies indicative of good potential for large bulk tonnage mineralization.

Exploration strategy

On-going exploration will involve mapping and rock chip sampling to extend and delineate the known zones of mineralisation and identify new targets.

4.7 New Opportunities

The Company is actively seeking new and significant opportunities to compliment the Company's existing tenement package or through acquisition, joint venture or other corporate transaction, to increase the Company's scale. The Directors believe these opportunities will better position the Company to leverage off its tenement package, unlock value for Shareholders and achieve its objectives sooner.

To this end, the Directors are currently considering a number of potential opportunities and conducting confidential discussions with potential transaction counterparties. The Company will keep Shareholders advised as these matters progress.

4.8 Directors

The following persons are Directors of the Company as at the date of the Prospectus:

A Anthony McLellan (Chairman)

Mr McLellan is a skilled company chairman with experience in a range of resource industries. For approximately thirty years he lived overseas, the last twenty years in America. A proven leader, he has been the CEO of major international corporations and has business experience gained in more than twenty countries.

During his time abroad, Mr McLellan served as President and CEO of the predecessor of Barrick Gold, now the world's largest gold mining company, headquartered in Toronto, Canada.

Since returning to Australia, Mr McLellan has acted as the initial chairman of Felix Resources and was closely involved in building Felix Resources into a major coal company. He also served as chairman of Bemax Resources, which he helped develop into Australia's second-largest mineral sands producer. Mr McLellan was instrumental in the sale of Bemax to a Saudi Arabian entity at a substantial premium.

Until June 2010, Mr McLellan was chairman of Norton Gold Fields Limited, owner of the Paddington Gold Mine at Kalgoorlie, the purchase of which he negotiated from Barrick Gold. Following his appointment in 2006, Norton grew rapidly and is now Australia's fourth largest ASX-listed gold producer.

Mr McLellan served as chairman of Habitat for Humanity, for many years. During his tenure, the organisation expanded substantially, winning the Prime

Minister's National Award. Mr McLellan was also a director of Opportunity International Australia, a partnership that operates in over 30 countries, providing micro loans to poor people in the third-world. His other not-for-profit interests include his directorship of the Menzies Research Centre. He is also chairman of Australian Christian Lobby.

Mr Corey Nolan (Managing Director)

Mr Nolan was appointed Managing Director of Elementos Limited in September 2009. Mr Nolan has over seventeen years diverse experience in the resources sector, including experience in mining operations, global resource evaluation and the financing and development of new opportunities in Australia, South Africa, Asia, and South America.

Mr Nolan is a qualified mineral economist and has applied his practical and technical skills in specialist roles as an equities analyst in the mining and natural resources sector of stock broking firms Morgan Stanley and Wilson HTM. During this period, he undertook detailed coverage of the Australian and global resources sector, including the commodities market.

Mr Nolan has been a Director at PriceWaterhouseCoopers in the corporate finance and valuations practice, specialising in resources industry valuations for Australian and global resources firms. Most recently, Mr Nolan worked as business development executive with ASX listed coal exploration and development company, Aviva Corporation, where he undertook commercial development of Aviva's integrated energy portfolio and identified acquisition opportunities in Australia and Africa.

Mr Mark McCauley (Non-Executive Director)

Mr McCauley was appointed a Director of Elementos in October 2010. Mr McCauley is currently the Managing Director of RMM Capital, a Queensland based private equity firm specialising in resource sector investments.

Prior to this, Mr McCauley was the Chief Financial Officer and Company Secretary of Felix Resources Limited, a highly-successful coal company which, during Mr McCauley's tenure, grew in market capitalisation from approximately $30 million to over $1 billion through a number of successful mergers, acquisitions and greenfield project developments.

Mr McCauley recently, acted as Chief Executive Officer of Norton Gold Fields Limited, undertaking a successful management and strategic overhaul of that company. RMM Capital's clients have been major shareholders in Norton. During that time, Norton grew from a junior explorer to a major Australian mid-capitalisation gold producer of 140,000 ounces per annum, with more than 5 million ounces in resources.

Mr McCauley holds an Honours Degree in Engineering (majoring in Mining) from the University of Queensland and a Masters in Business Administration from Bond University. Mr McCauley is also a graduate of the Advanced Management Programme at Harvard Business School and a member of the Australian Institute of Company Directors. In addition, Mr McCauley holds a First Class Underground Mine Manager's Certificate.

Mr James Calaway (Non-Executive Director)

Mr. Calaway is a respected business and civic leader in Houston, Texas, where he serves as Chairman of the Houston Independent School District Foundation. Mr. Calaway also serves on various other civic boards, including the Council of Overseers of the Jones School of Management at Rice University. Mr Calaway was appointed as a non-executive Director on 18 January 2011.

Mr. Calaway currently serves as Chairman of the Board of DataCert Inc, the global leader in legal operations management, Chairman of the Board of Open Spirit Corporation, the premier middleware software company in the geological and geophysical software industry and serves as a director on several other U.S. corporate boards. He and his family have considerable experience and success in building young companies into successful commercial enterprises.

Mr. Calaway and his family have played major roles in the development of both public and private companies in the United States, including companies engaged in oil and gas exploration and production and commercial wind-farm development.

Mr Calaway is perhaps best known in Australian capital markets as the major shareholder and chairman of Orocobre Limited, whose market capitalisation has increased substantially since he became actively involved in the company.

Mr Calaway received a Bachelor of Arts in Economics from the University of Texas in 1979 and a Master of Arts in Politics, Philosophy and Economics from Oxford University in 1981.

Mr Neil Stuart (Non-Executive Director)

Mr. Stuart is a highly experienced exploration geologist with over 40 years involvement in the minerals industry. He is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of The Australian Institute of Geoscientists and a number of other professional organisations.

Earlier in his career, he worked with Utah Development Company (in uranium, base metals and coal) and then managed the highly successful coal exploration programme for Marathon Petroleum Australia Ltd, with activities in all states of Australia, Kenya, Morocco, South Africa, Madagascar and Indonesia.

In 1979, Mr Stuart established a Geological Consultancy based in Brisbane and has since then undertaken assignments for numerous major and junior mining companies. Work undertaken during this period involved many commodities including gold, base metals, coal and uranium. A significant part of his work has been the delineation and acquisition of projects.

Since 2000, Mr Stuart has been heavily involved in project delineation and acquisition in Australia, Mexico and Argentina. As a founding Director of Oroplata Limited, he was instrumental in acquiring the highly prospective

Cerro Negro Epithermal Gold Project from MIM Holdings Ltd and advancing the project until the company merged with Andean Resources Limited.

5. Effect of the Offer on the Company

5.1 Summary

To assist investors' assessment of the Offer, the Directors have prepared the following financial information in respect of the Company:

- a consolidated pro forma statement of financial position as at 31 December 2010; and
- a pro forma summary of exploration commitments as at 31 December 2010.

The consolidated pro forma statement of financial position illustrates the financial effect on the Company's 31 December 2010 financial position arising out of:

(a) receiving the maximum amount of funds to be raised under the Offer;

(b) the Andes LLC Placement of 8,100,000 Shares at 26 cents a Share, raising $2,106,000; and

(c) a placement of 5,800,000 Shares at 26 cents a Share to raise $1,508,000, announced on the ASX on 29 December 2010 to sophisticated investors Belmont Park Investments Pty Ltd and Panorama Ridge Pty Ltd, which is subject to shareholder approval.

In summary, the principal effects of those significant events and proposed transactions will :

- increase cash balances by an estimated $7,188,000 (after costs of the Offer).
- increase the number of Shares on issue from 54,000,001 to 81,883,930.

The Directors believe that the increase in cash balances available to the Company will provide the Company with sufficient working capital to proceed with the objectives outlined in this Prospectus.

Consolidated pro forma statement of financial position

	30 June 2010	31 December 2010	Proforma December 2010
	$	$	$
	Audited	**Unaudited**	**Unaudited**
CURRENT ASSETS			
Cash and cash equivalents	6,567,437	4,612,617	11,800,618 **(Note 1)**
Trade and other receivables	46,754	66,575	66,575
Other	66,918	12,062	12,062
Total Current Assets	6,681,109	4,691,254	11,879,255 **(Note 1)**
NON-CURRENT ASSETS			
Exploration and evaluation asset	1,544,751	2,295,605	2,295,605
Property, Plant, and Equipment	40,165	33,284	33,284
Total Non-Current Assets	1,584,916	2,328,889	2,328,889
TOTAL ASSETS	8,266,025	7,020,143	14,208,144
CURRENT LIABILITIES			
Trade and other payables	233,801	244,766	244,766
Total Current Liabilities	233,801	244,766	244,766
TOTAL LIABILITIES	233,801	244,766	244,766
NET ASSETS	8,032,224	6,775,377	13,963,378
EQUITY			
Issued Capital	8,600,139	8,600,139	15,788,139
Reserves	245,417	(42,325)	(42,325)
Accumulated losses	(813,332)	(1,782,437)	(1,782,436)
TOTAL EQUITY	8,032,224	6,775,377	13,963,378

Note 1 *Pro forma figures include:*

a. *the maximum amount of funds to be raised from the Offer;*

b. *the placement to Andes Investors LLC in January 2011 ($2,106,000); and*

c. *the placement of 5,800,000 Shares to sophisticated investors ($1,508,000). The receipt by the Company of $1,508,000, is subject to Shareholder approval of the placement. Shareholder approval to the placement is to be sought at a general meeting of the Company to be held in February 2011.*

5.2 Pro Forma Summary of Exploration Commitments

The economic entity must meet minimum future expenditure commitments in relation to its exploration tenements and contractual obligations to maintain those tenements in good standing and to comply with its contractual obligations.

The pro forma summary of exploration commitments illustrates the financial effect on the economic entity's 30 June 2010 balance sheet of certain significant events occurring subsequent to 30 June 2010. The future tenement commitments are not brought to account in the consolidated pro forma balance sheet.

The pro forma summary of exploration commitments shows:

Future commitments as per audited 30 June 2010 annual financial statements	$4,180,050
Pro forma adjustments - Expenditure and relinquishment to December 2010 - Exchange rate fluctuations	 ($1,265,133) ($353,957)
Pro forma total of exploration commitments	$2,561,460

5.3 Effect of the Offer – Capital Structure

The Share Capital Structure of the Company, immediately following the Offer, assuming the Offer is fully subscribed will be as follows:

Shares on issue as per audited 30 June 2010 full year Accounts	54,000,001
Shares issued pursuant to the Andes LLC Placement and exercise of options on 25 January 2011.	8,200,000
Maximum number of New Shares to be issued under this Prospectus	13,883,929

Shares to be issued to Belmont Park Investments Pty Ltd and Panorama Ridge Pty Ltd	5,800,000
Total on issue after the Offer (**Note 2**)	81,883,930 (**Note 3**)

Note 2 *– This total assumes no exercise of any Existing Options. As set out below, the Company has on issue, at the date of this Prospectus, 9,200,000 Existing Options. All these Existing Options, are vested and therefore capable of immediate exercise. However, 7,000,000 of these options are subject to ASX Restriction Agreements and cannot be exercised without ASX approval. No application has been made to ASX for exercise of these restricted options. If Option Holders elected to exercise all currently vested and unrestricted Existing Options prior to the Record Date a further 2,200,000 Shares entitled to participate in the Offer will be issued. The exercise of the vested Existing Options would raise $600,000. The exercise of the Entitlements to subscribe for New Shares attaching to these additional 2,200,000 Shares would result in the issue of an additional 491,071 New Shares and raise an additional $127,678.*

Note 3 *–A placement of 5,800,000 Shares to sophisticated investors, which is subject to Shareholder approval, has been included in the Share total of* 81,883,930 *stated. Shareholder approval for the placement will be sought at a general meeting to be held in February 2011. If the placement of the 5,800,000 Shares is* ***not*** *approved, a total of 76,083,930 Shares will be on issue.*

Note 4 *- As at the date of the Prospectus the Company has the following Existing Options on issue. However all but 2,200,000 of the Existing Options are subject to ASX Restriction Agreements:*

No. of Existing Options	**Exercise price**	**Vesting date**	**Expiry date**
5,500,000	25 cents	50% 19 November 2010 50% 24 December 2010	23 October 2015
1,500,000	30 cents	17 December 2009	31 December 2011
1,200,000	30 cents	50% 19 November 2010 50% 24 December 2010	7 September 2015
1,000,000	25 cents	50% 19 November 2010 50% 24 December 2010	30 November 2015

6. Risk Factors

6.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Shareholders should be aware that an investment in the Company, a mineral exploration company, involves many risks, which may be higher than the risks associated with an investment in other companies. Shareholders should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate, before any decision is made to apply for New Shares. There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the Company's business.

The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

6.2 General Risks

The exploration and development of mineral resources is a speculative activity that involves a high degree of risk.

Stock Market Risk

Intending subscribers and prospective investors should be aware that there are risks associated with investments in companies listed on ASX. The price of the securities of a publicly traded company can be highly volatile and the value of the Company's securities can be expected to fluctuate, depending on various factors. As a result, the price of the Company's securities may trade below or above the offer price.

Various factors that may affect the market price of the Company's securities include exploration results, changes in commodity prices, stock market sentiment, general economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets and market conditions that affect the mining industry domestically and worldwide.

General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation and other economic factors. The price of commodities and level of activity within the mining industry will also be of particular relevance to the Company.

The Company's performance may be influenced by changes in inflation, interest rates, exchange rates, business cycles and taxation.

Domestic Economic Conditions

It is possible that a general downturn in the Australian economy will affect the performance of the Company and as such, the market value of securities in the Company. Alterations in government fiscal, monetary and regulatory policies and changes in interest rates may also affect the performance of the Company and the value of its securities.

Ongoing Financial Requirements

The Company anticipates that its existing resources, together with the net proceeds of the Offer, will enable it to carry out its planned operations. However, further funding by way of joint venture financing, debt, equity or otherwise, or a combination of these, may be required for the ongoing development of the Company's projects.

Should the Company need to raise additional funds in future, there can be no assurance that additional funds would be available on a timely basis, on favourable terms or at all, or that such funds, if raised, would be sufficient to enable the Company to continue to implement its business strategy. If adequate funds are not available, the Company's business and the value of its securities will be materially and adversely affected.

Government Policy and Legislative Changes

Capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of the Company and which may materially adversely affect the Company and the value of its securities.

Tax Policy Risk

The Federal Government has proposed changes to the taxation regime applying to mining and mineral exploration companies. It is possible that this and future policy and legislative changes will adversely affect the mining industry and participants in it, including the Company.

Unforseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if unforeseen expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

Commodity Price Risk

The Company's prospects and share price will be influenced by the price obtained from time to time for the commodities targeted in its exploration programmes. Commodity prices fluctuate and are affected by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse affect on the Company's exploration and any subsequent development and production activities, as well as its ability to fund its future activities.

Foreign Exchange

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on the Company's operating costs, cashflows and profits expressed in $A. The Company does not currently have any formal currency hedging in place, which means that adverse changes to foreign exchange rates can have an adverse effect on the Company and its business.

Environmental Risks

The Company's projects are subject to Australian laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations. The Company proposes to comply with applicable laws and regulations and conduct its programmes in a responsible manner with regard to the environment.

6.3 Specific Risks

Investors should be aware that an investment in the Company involves many risks which may be higher than the risks associated with an investment in other companies. The specific risk factors that should be taken into account in assessing the Company's activities and investment in the Company include but are not limited to the following:

Exploration and Operational Risks

By its nature, the business of exploration is a speculative endeavour and involves significant risks. The Company's performance depends on the successful exploration and/or acquisition of Resources or Reserves, competent operational management and efficient financial management. Further, the nature of exploration can sometimes result in industrial accidents and other incidents beyond the control of the Company.

There can be no assurances that the Company's programme described in this Prospectus or those relating to any projects or tenements that the Company may acquire in the future, will result in the discovery of a significant mineral target. Even if a significant target is identified, there is no guarantee that it will be viable for economic exploitation.

Ultimate success depends on the discovery and delineation of economically recoverable mineral Resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to, geological conditions, seasonal weather patterns, technical difficulties and failures, continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to the required level of funding.

Mine Development Risk

Possible future development of mining operations at any of the Company's projects is also subject to numerous risks. The Company's operations may be delayed or prevented as a result of weather conditions, mechanical difficulties or shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third party approvals, operational difficulties encountered with extraction and production activities, unexpected shortages or increases in the price of consumables, plant and equipment, cost overruns or lack of access to required levels of funding.

If the Company commences production, its operations may be curtailed or disrupted by a number of risks beyond its control, such as environmental hazards, industrial accidents and disputes, technical failures, unusual or unexpected geological conditions, fires, explosions, adverse weather conditions and other accidents.

The Company's operations may be adversely affected by higher than anticipated ore treatment costs, worse than anticipated metallurgical conditions, fluctuations in commodity prices or lack of availability of smelter capacity.

No assurance can be given that the Company will achieve commercial viability through development of any of its tenements or projects.

Feasibility and Development Risks

Given the early stage of the Company's projects, there will be a complex, multidisciplinary process to be undertaken to complete a feasibility study to support any development proposal. There is a risk that the feasibility study and associated technical works will not achieve the results expected. There is also a risk that even if a positive feasibility study is produced, the project may not be successfully developed for commercial or financial reasons.

Exploration Targets

The geological characteristics of the Company's exploration targets appear to have similar characteristics to locations where established exploration and mining operations are being successfully conducted. Similarity of geological characteristics is not determinative of any similarity in actual mineral Resources. Whilst those characteristics may encourage explorers like the Company to commit expenditure to drilling programmes, it must be appreciated that a substantial and real risk still exists that no viable Resource will be identified. As such, it is important that geological similarities be appreciated in the context that they only provide an indication rather than any determinative evidence of any viable outcome.

Resources

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Foreign Investment Risk

The Company has operations, interests and assets located in foreign jurisdictions. As a result, the Company is subject to political, economic and other uncertainties, including but not limited to changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increases and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted.

The Company's Argentina projects are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety or labour regulations that require the employment or local staff or contractors or require other benefits to be provided to local residents. The Company made also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Any future material adverse changes in government policies, conditions or legislation in Argentina or other countries in which the Company operates that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company. The legal systems operating in Argentina or other countries in which the Company operates may be less developed than more established countries, which may result in risk such as:

(a) difficulties in obtaining effective legal redress in the courts, whether in respect of a breach of law or regulation, or in an ownership dispute;

(b) a higher degree of discretion on the part of governmental agencies;

(c) the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights;

(d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and

(e) the relative inexperience of the judiciary and courts in resolving a disputed matter.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and legal contacts. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, options, tenement acquisition agreements, licences, licence applications or other legal arrangements will not be adversely affected by the actions of the government authorities, officials or others and the effectiveness of and enforcement of such arrangements cannot be assured.

The Company's key assets are its interests in mineral tenements in Argentina.

Changes in Argentine laws and regulations will have a significant effect on the Company's exploration operations, especially changes to environmental, mining, grant or renewal of concessions and taxation.

The political conditions under which the Company currently operates are stable compared to many areas of the world, but arguably not as stable as Australia. Potential risk to the Company's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's foreign interests. This may also include changes in exchange control regulations, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

Future Government Actions

Future government actions concerning the economy or the operation and regulation of the mining industry could have a significant effect on the Company. No assurances can be given that the Company will not be adversely affected by any future developments in Argentina or in other countries in which it operates.

Status of mineral tenements on Application

A number of the Company's projects are in the application process and have yet to be formally registered. While the Company is not aware of any impediments, there is no certainty that the rights for which the Company or the tenement owner have applied, will be granted and that the Company will acquire the rights that flow from such grant.

Tenement Interests

To the extent that the Company's interests in its tenements are contractual only, there is a risk that the counterparty may be unwilling or unable to comply with the terms of the relevant contracts. There is no certainty that the Company will be able to obtain adequate damages or specific performance in the case of such default and this may have a material impact on the value of the Company and its securities.

Hazards

The Company, as an active participant in exploration and in future, mining programmes, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high insurance premium costs. The Company may incur a liability to third parties (in excess of its insurance cover) arising from pollution, environmental damage or other damage or injury.

Contractors

The Company is dependant on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

Reliance on Key Personnel

In formulating its exploration and mining programmes, the Company relies to a significant extent upon the experience and expertise of the Executive Directors and management.

These persons possess knowledge of many of the Company's tenements through extensive personal experience of prospecting in those areas.

Although information concerning the Company's tenements has been chronicled, the loss of one or more of these key personnel may adversely affect the Company's prospects of pursuing its exploration programmes within the timeframes and within the cost structure currently envisaged.

Although the key personnel have a considerable amount of experience and have previously been successful in their pursuits of important prospecting discoveries, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Company.

Employees

The ability of the Company to achieve its objectives depends on being able to retain certain key employees, skilled operators and tradespeople. Whilst the Company has entered into employment contracts with key employees, the retention of their services cannot be guaranteed. The loss of key employees or skilled operators and tradespeople could significantly affect the performance of the Company's operations.

Tenements

A failure to adhere to the statutory expenditure requirements in relation the Company's mineral tenements will, unless an exemption is granted, make one or more of the tenements subject to possible forfeiture and the loss by the Company of the associated rights to the tenements.

Resource Estimations

Resource estimates are inherently imprecise as they are expressions of judgement at a particular time based on available information, interpreted using experience and resource modelling techniques. The estimates, while made by qualified professionals, may change over time as other information becomes available which differs from information known or predicted by past drilling, sampling and geological interpretation. Estimates remain subject to change which may adversely affect the Company's operations or the commercial viability or its projects.

Native Title, Aboriginal Heritage and Heritage

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation. In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for renewal of tenements, will be approved.

The Company's tenements are subject to numerous specific legislative conditions. The renewal of the term of a granted tenement is subject to discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Joint Ventures

The Company may wish to develop its projects or future projects through joint venture arrangements, while some projects are already the subject of joint venture agreements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company could be affected by the failure or default of any of the joint venture participants.

Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under this Prospectus. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes. There is however, no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances will adversely affect the Company.

Dividends Policy

The Company has not declared a dividend for the year ending 30 June 2010 and does not intend to pay dividends for the year ending 30 June 2011. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of profit, operating results, the financial position of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

Competitors

As with all industrial minerals, the market is competitive. There are existing producers and other companies with potential new production of industrial minerals. Whether the Company's projects are developed and operated successfully, will depend on the Company managing these competitive and commercial aspects in project development and operations. In addition, there is a risk that minerals the Company wishes to extract from its tenements may be sourced at lower cost than those available to the Company. Such changes would affect the market for the Company's products and may adversely affect the Company and its performance.

List not exhaustive

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company or by Shareholders. The above factors and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares Offered under this Prospectus. Accordingly, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time. Shareholders should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

7. Additional Information

7.1 Transaction Specific Prospectus

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Under these obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The Prospectus is issued under Section 713 of the Corporations Act. The section enables disclosing entities such as the Company to issue a prospectus in relation to the securities in a class of securities which have been quoted by ASX at all times during the 12 months before the date of the Prospectus or options to acquire such securities. As a result, apart from formal matters, this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares.

Copies of the documents lodged by the Company with ASIC or ASX may be obtained from or inspected at an office of ASIC.

The Company will provide a copy of the any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus.

(a) audited financial statements for the Company for the year ended 30 June 2010; and

(b) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX in the period starting immediately after the lodgement of the audited financial statements for the Company for the year ended 30 June 2010 and ending on the date of lodgement of this Prospectus with ASIC.

7.2 ASX Announcements

The ASX Announcements the Company has made since filing its last Annual Report on 8 September 2010, are set out in Appendix A.

7.3 Market Prices of Ordinary Shares

Official quotation of the Company's Shares commenced on 23 December 2009.

The highest and lowest recorded market sale prices of the Company's Shares quoted on ASX during the 6 month period before the date of this Prospectus are set out below:

Price		**Date**
Highest	$0.465	18 January 2011
Lowest	$0.160	17 September 2010

The last market sale price of the Company's Shares on ASX on 27 January 2011 was $0.35.

7.4 Rights and liabilities attaching to New Shares

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

There is only one class of share on issue in the Company, being fully paid ordinary Shares. The rights attaching to Shares are:

(a) set out in the Constitution of the Company; and

(b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Rules (formerly the SCH Business Rules) and the general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares including New Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Share Capital

All issued Shares rank equally in all respects.

Voting Rights

At a general meeting of the Company, every shareholder present in person, by an attorney, representative or proxy, has one vote on a show of hands and on a poll, one vote for every Share held, and for every partly paid share held (at present there are none), a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing Share. Where there is an equality of votes, the chairperson does not have a casting vote.

Dividend Rights

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors of the Company may from time to time determine to distribute by way of dividend, are divisible among the Company's shareholders in proportion to the Shares held by them respectively, according to the amount paid up or credited as paid up on them.

Rights on Winding-Up

Subject to the rights of holders of shares in the Company with special rights in a winding-up (at present there are none), on a winding-up of the Company, all assets which may be legally distributed amongst the members of the Company will be distributed in proportion to the Shares held by them respectively, according to the amount paid up or credited as paid up on the Shares.

Transfer of Shares

Generally, Shares may be transferred in accordance with Listing Rules and the ASTC Settlement Rules. The Directors of the Company may refuse to register a transfer of Shares only in those circumstances permitted by the Company's Constitution, Listing Rules and ASTC Settlement Rules.

Sale of Small Holdings

The Company may take steps in respect of non-marketable holdings of shares ('small holdings') in the Company to effect an orderly sale of those shares in the event that holders do not take steps to retain their holdings. The Company may only take steps to small holdings in accordance with the Company's Constitution and the Listing Rules.

Calls on Shares

Where shares are issued as partly paid, the Directors of the Company may make calls upon the holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and Listing Rules, the shares the subject of the call may be forfeited and interest and expenses may be payable in accordance with the Company's Constitution, the Corporations Act and Listing Rules or proceedings taken to recover the amount unpaid.

No Calls on Shares

As all Shares are fully paid, they are not subject to any calls for money by Directors of the Company and will therefore not become liable to forfeiture.

Further Increases in Capital

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's Constitution, Listing Rules or the Corporations Act, the Directors of the Company may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

Variation of Rights Attaching to Shares

Where shares of different classes are issued, the rights attaching to the Shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

Alteration of Constitution

The Constitution of the Company can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution, must first be given to Shareholders.

ASX Listing Rules

For so long as the Company is admitted to the Official List of ASX, then despite anything in the Constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Company's Constitution prevents an act being done if the Listing Rules require the act to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If a provision of the Company's Constitution becomes inconsistent with the Listing Rules, the Company's Constitution is deemed not to contain that provision to the extent of that inconsistency.

7.5 Expenses of the Offer

The expenses of the Offer are estimated to be $40,000.

7.6 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.7 Placement Agreement

On 29 December 2010, the Company announced a placement of 5,800,000 Shares at an issue price of 26 cents to Belmont Park Investments Pty Ltd and Panorama Ridge Pty Ltd, subject to approval by the Company's Shareholders pursuant to rules regulating related party transactions. The Company is taking steps to call a general meeting to consider a resolution approving this placement for the purposes of Chapter 2E of the Corporations Act and Chapter 10 of the Listing Rules, notice of which will be sent to all Shareholders and announced on ASX as soon as practicable after the date of this Prospectus. The issue of Shares pursuant to this placement will not occur before the Record Date for the Offer and will not entitle the subscribers under the placement to participate in the Offer.

7.8 Director Options

The Company has entered into an Option Deed to issue 1,000,000 options (**Director Options**) to its Director, James Calaway, subject to approval by the Company's Shareholders at a general meeting to be called as soon as practicable after the date of this Prospectus (the same meeting is contemplated in Section 7.7 above).

The Director Options to be issued to Mr Calaway, if approved by the Company's Shareholders, will have the following terms and conditions:

Issue Consideration:

Director Options will be issued free of consideration.

Shares issued on exercise:

Each Director Option entitles the holder to subscribe for one new Share upon exercise of the Director Option and payment of the Exercise Price. Shares issued on exercise of the Director Options will rank equally with all existing Shares of the Company on the date of issue.

Exercise price:

The exercise price of the Director Options is $0.35 (35 cents) per Option.

Transferability:

Subject to the Corporations Act, the Listing Rules (if appropriate at the time) and the Constitution of the Company, Director Options are not transferable.

No Quotation:

The Director Options will not be quoted on ASX.

Option Period:

The Director Options expire if not exercised before 18 January 2017.

Vesting:

The Director Options will only vest and be capable of exercise:

(a) For 500,000 of the Director Options – if the Company's Share price on ASX reaches $0.40 during the Option Period; and

(b) For the remaining 500,000 of the Director Options – if the Company's Share price on ASX reaches $0.45 during the Option Period.

New Issues:

The holder will be permitted to participate in new issues of securities of the Company only on the prior exercise of the Director Options.

Reconstructions:

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Director Options, the exercise price of the Director Options, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holder of the Director Options which are not conferred on shareholders.

Changes to Terms:

The terms of the Director Options will only be changed if holders (whose votes are not to be disregarded because of interest in the vote) of Shares approve of such a change. However, the terms of the Director Options cannot be changed to reduce the exercise price, increase the number of Director Options or change any period for exercise of the Director Options.

Forfeiture:

The holder of Director Options will forfeit them if:

(a) the holder ceases to hold office as a Director of the Company and does not exercise the Director Options within the shorter of the 6 months following his ceasing to hold office as Director and the expiry date of the Director Options, subject to the Vesting Date occurring during that Period; and

(b) If a holder ceases to hold office as a Director of the Company during the Option Period because of:

(i) being convicted of any breach of a criminal provision of the Corporations Act;

(ii) being convicted of any other criminal office; or

(iii) committing a material breach of his employment or consultancy agreement (as the case may be) with the Company.

7.9 Interests of Directors

The nature and extent of the interest (if any) that any of the Directors of the Company holds or held during the last two years in the formation of the

Company, property acquired or to be acquired by the Company in connection with its formation or promotion, or the Offer is set out below.

Shareholdings

The interest of the Directors (held directly or indirectly) in the securities of the Company at the date of this Prospectus, are as follows:

Directors	Number of Shares	Number of Options
A Anthony McLellan	Nil	2,000,000*
Corey Nolan	120,000	2,500,000*
Neil Stuart	1,935,222	1,000,000*
James D Calaway	10,129,256	Nil
Mark McCauley	Nil	1,000,000
Total	**12,184,478**	**6,500,000**

*All of these options are subject to ASX Restriction Agreements.

Fees

The remuneration paid to the Directors of the Company and their associated entities during the last two years, is set out below:

1 July 2009 – 30 June 2010

Director	Salary/Fees	Other Benefits	Superannuation	Total
A Anthony McLellan	$40,416	$22,821	$3,638	$66,875
Corey Nolan	$92,500	$28,526	$8,325	$129,351
Neil Stuart	$15,000	$11,410	$1,350	$27,760
James D Calaway	n/a	n/a	n/a	n/a
Mark McCauley	n/a	n/a	n/a	n/a

1 July 2010 – 31 December 2010

Director	Fees	Other Benefits	Superannuation	Total
A Anthony McLellan	$25,000	$16,796	$3,756	$45,552

Corey Nolan	$91,743	$20,995	$8,257	$120,995
Neil Stuart	$20,000	$8,398	$1,800	$30,198
James D Calaway	n/a	n/a	n/a	n/a
Mark McCauley	$9,247	$1,638	$832	$11,717

Directors' and Officers' Indemnity

Pursuant to the Constitution but subject to the Corporations Act, each Director is entitled to be fully indemnified by the Company in respect of all loss and liability incurred by the Director in performing his duties as Director of the Company, including but not limited to a liability arising from negligence and for reasonable costs and expenses in successfully defending any civil or criminal proceedings relating to performance of those duties. Liability arising from conduct involving lack of good faith is excluded from the indemnity. The Company maintains a Directors and Officers Insurance Policy to cover these risks.

No other interests

Other than as set out above or elsewhere in this Prospectus, no person has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Director or proposed director:

- to induce them to become, or to qualify as, a Director of the Company; or
- for services provided by a Director in connection with the formation of the Company or the Offer.

7.10 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the New Shares. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the New Shares in the Company or dealing with an entitlement in the Rights Issue.

7.11 Subsequent Events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

(a) the operations of the Company;

(b) the results of those operations; or

(c) the state of affairs of the Company.

7.12 Interests of Experts and Advisers

This Section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers to the Offer (collectively **Prescribed Persons**). Other than as set out in this Prospectus no Prescribed Person has, or has had in the last two years, any interest in:

(a) the formation of the Company;

(b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company; or

(c) the Offer of New Shares under this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- formation or promotion of the Company; or
- the Offer of New Shares under this Prospectus.

Hemming+Hart Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, it has placed reasonable reliance upon the information provided to them by the Company. Hemming+Hart does not make any statement in this Prospectus. In respect of this work the Company estimates that it will pay approximately $30,000 excluding GST and disbursements) to Hemming+Hart and further amounts may be payable to Hemming+Hart in accordance with its normal time based charges.

7.13 Consents and Disclaimers

Written consents to the issue of this Prospectus have been given and up to the lodgement of this Prospectus, have been not withdrawn by the following parties and each of the named parties consents to being named in this Prospectus in the form and context in which their name appears:

(a) Hemming+Hart Lawyers, legal advisors to the Company;

(b) Hayes Knight Audit (Qld) Pty Ltd, Auditors of the Company;

(c) Registries Limited, the Company's share registry service provider; and

(d) Neil Stuart, the Competent Person in relation to resource estimates in respect of the Company's exploration projects in this Prospectus.

7.14 Competent Person Statement

The Resource estimates in respect of the Company's exploration projects in this Prospectus are based on information compiled by Neil Stuart, who is a fellow of the Australasian Institute of Mining and Metallurgy and who is a non-executive Director of the Company. He has sufficient experience to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting Exploration Results, Mineral Resources and Ore Reserves. Neil Stuart has consented to the inclusion of this information in the form and context in which it appears in this Prospectus.

7.15 Privacy

In completing an Acceptance, each Shareholder will be providing personal information to the Company which the Company will collect, hold and use to process the Acceptance. The information may also be used and disclosed to the Company Share Registry which keeps statutory records on behalf of the Company, persons inspecting the Company Share register, including potential takeover bidders, authorised security brokers, printers, mail houses acting on behalf of the Company, the Australian Taxation Office and other regulatory authorities.

Each Shareholder is entitled to correct and update personal information relating to it by contacting the Company or its Share Registry.

Collection, maintenance, use and disclosure of certain personal information is governed by legislation, including the *Privacy Act 1988* (Cth) and the Corporations Act. If an applicant does not provide the personal information required to complete an Acceptance as set out in the Entitlement and Acceptance Form, the Company may be unable to process the Application.

7.16 Directors' Statement

Each of the Directors of Elementos Limited has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent. This Prospectus is signed for and on behalf of the Company by:

Signed on the date of this Prospectus.

Corey Nolan
Managing Director

8. Glossary

$	Australian dollars. All amounts in this Prospectus are in Australian dollars unless otherwise stated.
Acceptance or **Accept**	The completion and return by Eligible Shareholders, as directed in the Entitlement and Acceptance Form, of the Entitlement and Acceptance form, together with Acceptance Monies for a portion or all of the Eligible Shareholder's Entitlement and any Additional New Shares applied for (as the case may be), by the Closing Date.
Acceptance Monies	The amount of money required in accordance with this Prospectus to subscribe for New Shares in accordance with Acceptance of an Entitlement and any Additional New Shares, if appropriate.
Additional New Shares	New Shares applied for by an Eligible Shareholder in excess of its Entitlement, offered subject to the terms and conditions in this Prospectus.
AEDT	Australian Eastern Daylight Time.
Andes LLC Placement	The placement of the Company's Shares to Andes Investors LLC as detailed in the Company's ASX release on 29 December 2010.
Applicant	A person who submits an Entitlement and Acceptance Form under this Prospectus.
ASIC	The Australian Securities and Investments Commission.
ASTC Settlement Rules	The settlement rules of the operating facility provided by ASX Settlement and Transfer Corporation Pty Limited, which provides settlement processing facilities for ASX's market.
ASX	ASX Limited (ABN 98 008 624 691) and the securities exchange operated by it.
Board	The Board of Directors of the Company.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Closing Date	5.00pm AEDT on 25 February 2011.

Constitution	The constitution of the Company.
Directors	The directors of the Company.
Elementos or **Company**	Elementos Limited ACN 138 468 756.
Eligible Shareholder	A Shareholder who is entitled to subscribe for New Shares pursuant to the Offer by being registered as the holder of Shares at 7pm AEDT on the Record Date and having a registered address in Australia, New Zealand or Hong Kong.
Entitlement and Acceptance Form	The personalised Entitlement and Acceptance Form which accompanies this Prospectus.
Entitlement	The Right of a Shareholder to subscribe for New Shares under the Offer equal to 1 New Share for every 4.48 Shares held as at the Record Date.
Existing Options	Vested options issued by the Company entitling holders to subscribe for Shares in the Company, as set out in Sections 3.17 and 7.9.
IPO	The initial public offering of Shares in the Company completed in December 2009.
Listing Rules or **ASX Listing Rules**	The official listing rules of ASX.
New Shares	The Shares offered under this Prospectus.
Non-Renounceable	Eligible Shareholders may not sell or transfer all or any part of their Entitlement.
Offer	The offer to Eligible Shareholders of the Rights made in this Prospectus.
Offer Period	The period commencing from the dispatch of the Prospectus and ending on the Closing Date.
Official Quotation	Quotation on ASX.
Option Holders	Holders of Existing Options.
Prospectus	This Prospectus dated 28 January 2011.
Record Date	8 February 2011.
Register	The register of shareholders of Elementos.
Reserve	A Probable or Proved Ore Reserve (as the case may be) as defined in the current version of the Australasian Code for Reporting Exploration Results,

	Mineral Resources and Ore Reserves.
Resource	An Inferred, Indicated or Measured Mineral Resource (as the case may be) as defined in the current version of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves.
Rights	The right to subscribe for New Shares pursuant to the Offer under this Prospectus.
Section	A numbered section of this Prospectus.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The registered holder of Shares.
Shortfall	The New Shares forming Entitlements, or parts of Entitlements, not Accepted by Shareholders under the Offer.

Appendix A - ASX Announcements

Date	Price sensitive indicated	Headline	Pages
27/01/2011		Amended Appendix 3B	5
27/01/2011		Notice of Initial Substantial Holder	3
27/01/2011		Appendix 3B - Rights Issue	4
25/01/2011	Yes	Appendix 3B - Conversion of Options	4
25/01/2011	Yes	Revised Rights Issue Timetable	1
19/01/2011		Appendix 3X	1
19/01/2011		Appendix 3B	4
18/01/2011		Appointment of New Director	1
31/12/2010		Trading Policy	9
29/12/2010	Yes	Share Placement and Rights Issue	4
23/12/2010	Yes	Trading Halt	3
07/12/2010	Yes	New La Puerta vein discovery	3
02/12/2010		Appendix 3Y - Change of Director`s Interest Notice	2
02/12/2010		Appendix 3B	4
30/11/2010		Results of AGM	1
30/11/2010		AGM Investor Presentation	23
30/11/2010		2010 AGM - Chairman`s Address to Shareholders	2
19/11/2010	Yes	New High Grade Silver Rich Veins Identified at Yvette	3
15/11/2010	Yes	Gold - Copper Porphyry Discovery at Santo Domingo	4
10/11/2010	Yes	Fast-Tracking Exploration at Cathedral Rocks	2
29/10/2010	Yes	Quarterly Activities Report	4
29/10/2010	Yes	Quarterly Cashflow Report	5
28/10/2010		Notice of Annual General Meeting/Proxy Form	13
27/10/2010	Yes	Extension to Santo Domingo Purchase Agreement	1
26/10/2010	Yes	Polymetallic veins discovered at Santo Domingo	5
25/10/2010	Yes	Progress Report - Manantiales	8
13/10/2010		Appendix 3X - Initial Director`s Interest Notice	1
08/10/2010		Mark McCauley Appointed Non Executive	1

		Director	
28/09/2010	Yes	Manantiales Drilling Program Completed	4
13/09/2010		Appendix 3B	5
10/09/2010	Yes	Manantiales Drill Program	1
08/09/2010		Annual Report to Shareholders	65

CORPORATE DIRECTORY

Directors	Company Secretary
Mr A. Anthony McLellan (Chairman) Mr Corey Nolan (Managing Director) Mr Mark McCauley (Non Exec. Director) Mr Neil Stuart (Non Exec. Director) Mr James D Calaway (Non Exec. Director)	Paul Crawford
Registered and Principal Office	**Share Registry**
Level 1, 349 Coronation Drive Milton QLD 4000 Phone 07 3871 3985 Fax 07 3720 8988 Email mail@elementos.com.au www.elementos.com.au	Registries Limited Level 7, 207 Kent Street, Sydney NSW 2000 Phone 1300 737 760 Fax 1300 653 459 Email callcentre@registries.com.au www.registrieslimited.com.au
Auditors	**Lawyers**
Hayes Knight Audit (QLD) Pty Ltd Level 19, 127 Creek Street Brisbane QLD 4000 Phone 07 3229 2022 Fax 07 3229 3277 Email email@hayesknightqld.com.au www.hayesknight.com.au	Hemming+Hart Lawyers Level 2, 307 Queen Street, Brisbane QLD 4000 Phone 07 3002 8700 Fax 07 3221 3068 Email mail@hemhart.com.au www.hemhart.com.au