

5 May 2011

Update on Yvette Gold and Silver Prospect

Highlights

- The gold-rich vein zone extended north an additional 700 metres. The total strike extent of the gold rich vein is now 1.4 kilometres
- A second silver-rich vein zone found 1 kilometre east of the original Yvette veins
- 8.5 kilometres of vein mineralisation identified to date in Yvette
- Geophysics planned prior to inaugural drilling program

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to provide an update on exploration activities at the Yvette prospect, part of the Santo Domingo project, San Juan Province, Argentina.

Sampling extends Yvette gold vein north to the El Arriero porphyry

On-going reconnaissance sampling and mapping has extended the previously reported gold mineralisation at Yvette northwards by a further 700 metres to the edge of the El Arriero Extension gold-copper porphyry system. The gold-rich vein zone is now approximately 1.4 kilometres long, comprising narrow (0.1 metres to 1.5 metres) pinching and swelling veins on surface.

Representative (fixed length, continuous channel) rock chip sample highlights from the new northern extension vein include:

- 0.1 metres at 13 g/t gold and 64 g/t silver, 0.1 % lead, 1 % zinc;
- 0.1 metres at 8.3 g/t gold and 32 g/t silver, 0.4 % lead, 0.2 % zinc; and
- 0.2 metres at 4 g/t gold and 268 g/t silver, 1.7 % lead, 0.7 % zinc.

New assay results from selective rock chips from old mine dumps include:

- 13.2 g/t gold and 83 g/t silver, 0.33 % lead, 2.1 % zinc;
- 5.1 g/t gold and 109 g/t silver, 0.4 % lead, 13.5 % zinc; and
- 0.9 g/t gold and 1,967 g/t silver, > 30 % lead.

Polymetallic Silver vein

A second, parallel, silver-rich vein system has been identified approximately one kilometre east of the Yvette South prospect. Further in-fill sampling and mapping of the system is underway to test its potential as a target in the upcoming geophysical survey.

Sample results from the new silver-rich vein zone include:

- 0.4 metres at 73 g/t silver, 1.4 % lead, 1.6 % zinc; and,
- 453 g/t silver, 1.5 % lead and 2.1 % zinc¹.

Both samples represent a 500 metre southwards extension from the previously-reported 4,232 g/t silver equivalent selective sample (see ELT release of 26 Oct 2010).

Two discrete vein systems total 8.5 kilometres

Elementos' fieldwork has established a spatial relationship between the vein systems and the porphyry environment on surface, increasing the size of these systems (Figure 1), as well as the potential for further mineralisation.

The northern extension of Yvette is a gold-rich quartz vein with secondary silver, lead and zinc mineralisation. The vein trends north-south and dips sub-vertically, pinching and swelling along strike, parallel to a major north-south structural feature (Figure 2). Natural outcrop is limited due to the vein texture, which is not resistive to erosion at surface. Thus, occurrences are limited to narrow, discrete and discontinuous outcrops and sub-crops within the overlying soils and talus (Figure 2).

The northeast trending, silver-rich mineralisation in the south and centre of Yvette is considered to be an earlier phase of either a single or multiple superimposed mineralising event.

More than 8.5 kilometres of structure containing combined gold and silver veins have now been identified at Yvette.

The Company believes that the multiple geological structures and mineralisation styles in Yvette, and their close proximity to the porphyry mineralisation around El Arriero and Divisoria, increase the potential for mineralisation at depth. This interpretation will be tested with geophysics and drilling.

On-going exploration activities

The on-going exploration program includes detailed infill mapping and sampling of the vein systems prior to a geophysical survey, which is scheduled to follow-on from the program currently underway at Manantiales.

Following this, priority targets from the geophysical and geochemical programs will be drill tested. Road access construction for the geophysics and drilling has already commenced.

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¹Selective rock chip

Elementos is an Australian, ASX-listed, exploration company, with a number of projects in Argentina and Australia, which offer an attractive investment environment. The properties are all in mineral rich, highly prospective provinces, with developed infrastructure nearby.

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SAMPLE QUALITY CONTROL AND ASSURANCE

Gold assay results presented above are finals and have been calculated using a 0.5 g/t gold cut-off grade. Gold intervals are weighted averages of sample length multiplied by gold grade.

Samples were prepared at the Acme Analytical Laboratories ("AcmeLabs") preparation facility in Mendoza, Argentina and assayed by fire assay (50 gram charge) at the AcmeLabs laboratory in Chile and for ICP-MS 32 elements (15 grams charge) at the AcmeLabs laboratory in Vancouver, all ISO-9001:2000 certified laboratories. Samples returning greater than 10 g/t gold and/or greater than 100 g/t silver are assayed using gravimetric analyses.

The Silver Equivalent (Silver Eq) values were calculated as follows: $\text{Silver Eq} = \text{Ag (g/t)} + (\text{Pb \%} \times 24.25/0.84) + (\text{Zn\%} \times 23.14/0.84)$. Gold has not been included in the Silver Eq equivalent calculation.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Alistair Grahame, a member of the Australian Institute of Geoscientists. Mr Grahame is a full-time employee of Elementos Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which it is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Grahame consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1 –Location map of the Santo Domingo District principal prospects

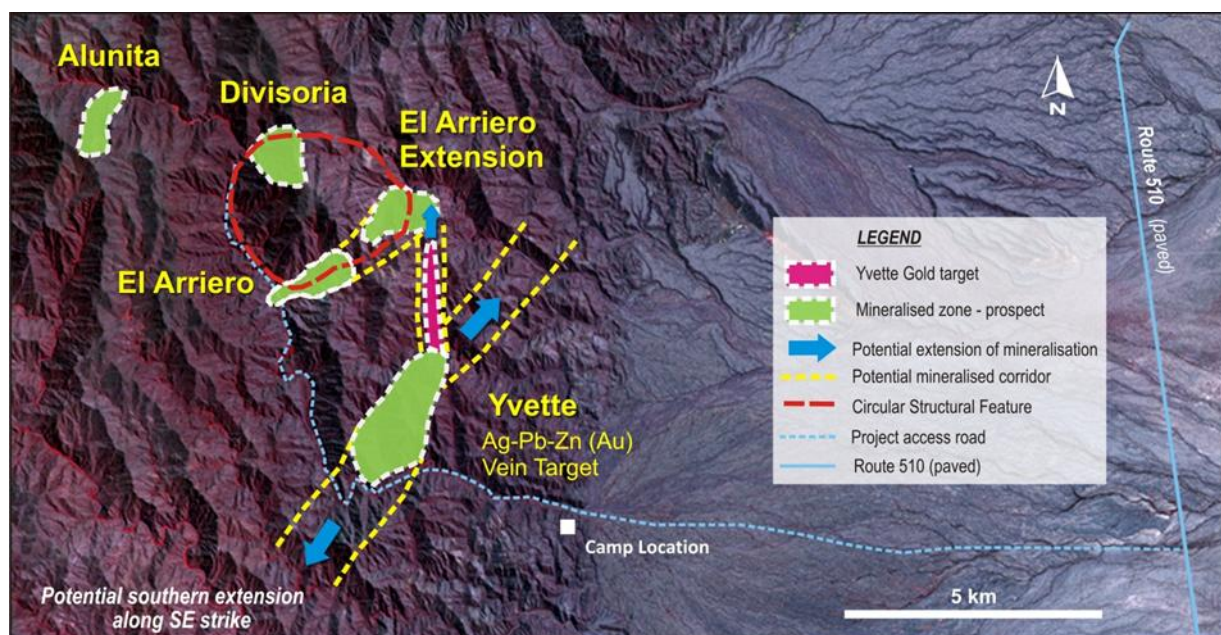


Figure 2 – Distribution of the recent significant Yvette sample results

