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HIGH-GRADE GOLD DRILLING RESULTS AT MANANTIALES

Highlights

- High-grade gold zone intersected at Manantial vein in two new drill holes
- Gold system is open along strike and to depth
- Drilling is on-going at Manantial vein and planned at Manantial Norte, Julieta Norte and La Puerta

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to provide an update on the on-going drilling program at the Manantiales gold-silver project in San Juan Province, Argentina.

Initial drilling results expand the size of the Manantial vein

Initial results from diamond drilling have extended the high-grade gold-silver zone with two significant intersections including:

MDH21A

- 11.68 metres at 2.1 g/t Au and 5.8 g/t Ag from 146.17 metres
 - Incl. 1.19 metres at 4.27 g/t Au and 7.4 g/t Ag
 - Incl. 0.4 metres at 9.92 g/t Au and 15 g/t Ag and;
- 3.45 metres at 5.04 g/t Au and 11.8 g/t Ag
 - Incl. 1.8 metres at 8.95 g/t Au and 18.9 g/t Ag
 - and 0.81 metres at 10.4 g/t Au and 26 g/t Ag

MDH22

- 6.7 metres at 2.26 g/t Au and 7.4 g/t Ag from 119 metres
 - Incl. 1.25 metres at 10.68 g/t Au and 23.6 g/t Ag
 - Incl. 0.75 metres at 15.1g/t Au and 24 g/t Ag

The new drill holes have expanded the size of the high-grade gold system:

- Minimum strike length extended to 120 metres in a north-south direction;
- Mineralisation extended down to 150 metres depth; and
- The system remains open along strike and to depth.

The Company believes the Manantial vein still has potential for a larger epithermal system at depth, supported by geophysics, geochemistry (low silver-gold ratio) and vein characteristics – see figure 1.

Summary of results

In addition to the high-grade results, drilling has demonstrated that the high-grade mineralisation is surrounded by a large and continuous low-grade gold envelope (0.2 g/t average gold grade, 5 to 20 metres wide) which increases the overall size of the system, and provides encouragement that the mineralisation is widespread.

Ongoing surface exploration is expanding the size of the system through the discovery of new discrete vein outcrops. Many of these have returned low-grade gold and silver mineralisation associated with low temperature silica and silica – calcite veining. This, along with the vein textures, is thought to be indicative of being at a high-level within the epithermal system, increasing the potential for significant mineralisation at depth.

Drilling progress

Ten diamond drill holes have been completed for 2,045 metres and assay results for five of these have been received. The Phase II drilling program is expected to comprise 25 holes totalling up to 4,000 metres, with an option for an additional 1,000 metres, including:

- Manantial vein – 2,000 metres in 15 holes;
- Julieta Norte vein – 500 metres in 5 holes; and
- La Puerta group - 1,500 metres in 10 holes.

The objectives of this diamond drilling program are:

- To expand the size of the known mineralisation at the Manantial vein identified in the first phase of drilling. This system is open to the north and south along strike, and at depth;
- To test at depth for extensions of the Julieta Norte vein system where low-grade gold and silver mineralisation was intersected at shallow levels in the Phase 1 drilling program. Julieta Norte is the northern extension of Troy Resources' main satellite vein system;
- To identify vertical extension of mineralisation at La Puerta and La Puerta Este, where surface channel sampling has intersected high-grade gold and silver in vein systems exposed on surface; and
- To continue testing for parallel blind vein structures at depth that have not been identified through surface mapping and for stock-work mineralisation in the alteration zone around the main vein systems.

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

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SAMPLE QUALITY CONTROL AND ASSURANCE

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

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

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

CORE LOGGING AND ORIENTATION

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

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Gustavo Delendatti, a member of the Australian Institute of Geoscientists. Mr Delendatti 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 Delendatti 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: Manantial vein longitudinal section demonstrating the high-grade zone and potential strike and depth extensions.

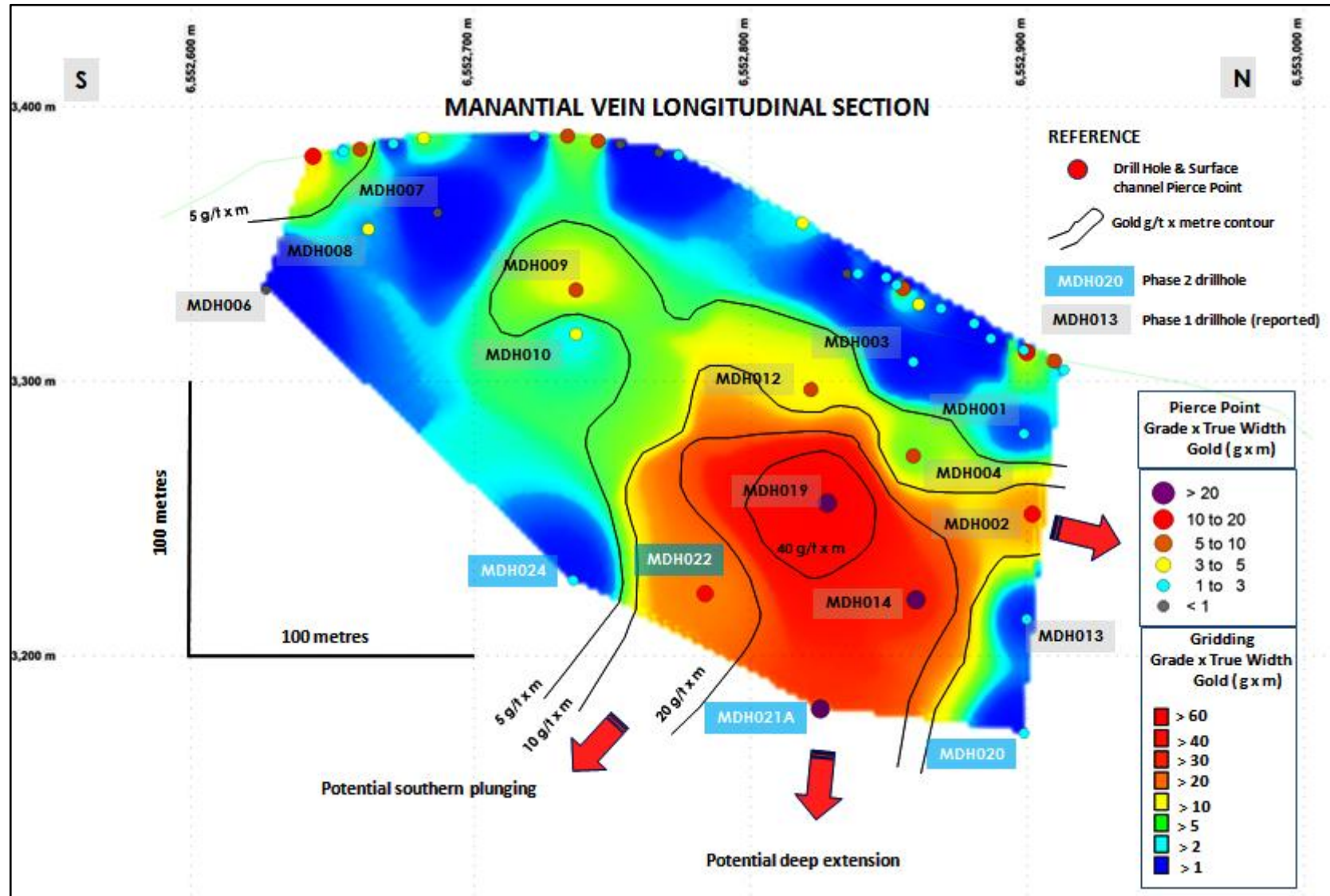


Table 1: Manantiales - summary of Phase 2 drilling intersections using 0.5 g/t gold cut-off grade

HoleID	Prospect	Coordinates (GK/CI f2) ¹		Altitude, m	End of Hole	Collar Surveys ²		Significant Intersections					
		Northing, m	Easting, m			Azimuth	Inclination	From, m	To, m	Length, m ³	Au ppm ⁴	Ag ppm	Core Recovery % ⁵
MDH020	Manantial	2432209	6552902	3286	200.3	270	-60	129	131.76	2.76	0.56	5.8	98.36
MDH021A	Manantial	2432220	6552827	3312	180.35	270	-55	146.17	157.85	11.68	2.1	5.8	87.84
								146.17	147.36	1.19	4.27	7.4	100
including								146.96	147.36	0.4	9.92	15.00	100
including								154.4	157.85	3.45	5.04	11.8	94.14
and								156.05	157.85	1.8	8.95	18.9	98.42
and								156.86	157.85	0.81	10.4	26	99.57
MDH022	Manantial	2432200	6552787	3320	201.3	270	-50	119	125.7	6.7	2.26	7.4	98.79
including								122.5	125.7	3.2	4.438	12.1	98.41
and								124.45	125.7	1.25	10.68	23.6	97.88
and								124.95	125.7	0.75	15.1	24	97.13
								146.6	147.8	1.25	2.28	6	88.66
								154	155	1	1.37	4	95
MDH023	Manantial	2432200	6552665	3320	221.6	270	-55	129	131.76	2.76	0.56	5.8	93
MDH024	Manantial	2432199	6552736	3340	203.8	270	-50	NSR					

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