ELEMENTOS LIMITED

28 AUGUST 2012

UNDERWRITTEN RIGHTS ISSUE TO FUND GEOPHYSICS AND DRILLING AT TAMAYA, CHILE

Highlights

- Underwritten, non-renounceable rights issue to raise approximately $2.3 million (before costs) at 3.5 cents per new share, plus one free option exercisable at 6 cents for every two new shares acquired
- Strong support from existing shareholders and experienced resource investors

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce it is inviting all eligible shareholders to participate in a pro-rata, non-renounceable rights issue to raise approximately $2.3 million before costs (the "Offer"). Patersons Securities Limited has been appointed as the Lead Manager and Underwriter to the Offer, and is underwriting the balance of the Offer after pre-commitments from existing shareholders, which totals approximately $1.5 million.

The key terms of the Offer include:

- Open to eligible shareholders on the register as at 7:00pm (AEST) on the record date of 6 September 2012 ("Record Date") with registered addresses in Australia and New Zealand ("Eligible Shareholders");
- Priced at 3.5 cents per share, equal to a 31.7% discount to the 5-day volume weighted average price;
- Offered on a pro-rata basis of 4 new ordinary fully paid shares ("New Shares") for every 5 ordinary fully paid shares ("Shares") held in the Company on the Record Date; and
- Includes one free new option exercisable at 6 cents and expiring on 9 April 2014 for every two New Shares subscribed for ("New Options").

The Offer provides Eligible Shareholders with an opportunity to increase their investment in the Company at an attractive price. The Offer is being strongly supported by existing shareholders and experienced resource investors, including:

- Andes Investors LLC ("Andes Investors"), an investment company associated with James D. Calaway, a non-executive director of Elementos, is acquiring its entitlements and sub-underwriting a further $0.77 million of the Offer; and
- Other shareholders including Neil Stuart, a previous director of the Company, Belmont Park Investments Pty Ltd and Panorama Ridge Pty Ltd have committed to take up their full entitlements.

The funds raised from the Offer will be applied to geophysics and drilling at the Tamaya copper project in Chile during 2012, and the costs of the Offer.

Full details of the Offer will be set out in the Prospectus lodged with ASIC and the ASX today.

ELEMENTOS LIMITED ABN 49 138 468 756 Email: admin@elementos.com.au
Phone: +61 7 3221 7770 Fax: +61 7 3221 7773 Web: www.elementos.com.au
Address: Level 8, 26 Wharf Street, Brisbane, Qld 4000 Post: PO Box 10555, Brisbane Adelaide Street, Qld 4000, Australia

Rights Issue Timetable

The indicative timetable for the Offer is tabulated below.

Event	Date
Rights issue Prospectus lodged with ASIC and ASX	28 August 2012
Notice with information on the Offer sent to Eligible Shareholders	29 August 2012
Shares commence trading on ASX on an ex rights basis	31 August 2012
Record date for participation in the Offer (7:00pm AEST)	6 September 2012
Prospectus dispatched to Eligible Shareholders	10 September 2012
Opening date for the Offer (9:00am AEST)	10 September 2012
Closing date for acceptance and payment in full under the Offer (5:00pm AEST)	28 September 2012
New Shares and New Options quoted on a deferred settlement basis	2 October 2012
Allotment of New Shares and New Options and dispatch of holding statements for New Shares and New Options issued under Offer	9 October 2012
Normal trading commences for New Shares and New Options on ASX	10 October 2012

2012 Exploration Strategy

The Company's vision is to create shareholder returns by discovering economic mineral deposits and realising value through development, joint venture or sale. To achieve this objective, the Company's main strategic focus during 2012 is to realise value from its assets as follows:

Exploration - Apply the new funding raised from this offer to the on-going exploration at Tamaya where early exploration activities – including sampling, mapping and geophysics – are demonstrating the exciting potential of the project. On-going exploration activities will include detailed mapping and channel sampling, and IP geophysics of targets identified for a planned drilling program later in 2012.

Divestment and Joint Venture - In Argentina, the Company remains committed to advancing and/or realising value from its Manantiales and Santo Domingo projects through sale or joint ventures. Early stage discussions are underway with a number parties interested in the assets. In Chile, following the Company's exploration program at Mercedes that ruled out the economic porphyry potential of the project, the Company has commenced re-negotiating the purchase terms of the Joint Venture. Should it be unable to reach acceptable new commercial terms, the option to purchase will be allowed to lapse.

Consolidation - In Australia, the Company is continuing to consolidate its land package in the Mt Isa district, in geologically prospective areas, situated near major mines and deposits. Following the recent granting of 254 square kilometres of exploration permits at Millenium, an exploration program is being planned to test for the copper, gold and rare-earths potential in the areas within the permits historically mined and drilled. The planned exploration programs are not expected to commence until 2013 and are subject to the Company securing additional financing or entering into joint ventures on the tenements.

The directors are committed to building and developing a strong Company with the financial capacity to deliver its strategy. Whilst the equity markets have been very weak in the junior mining space during 2012, the directors believe that on completion of the rights offering, the Company will be well positioned to deliver exploration success with attractive returns for its shareholders.

For more information, please contact:

Corey Nolan
Managing Director
Phone: +61 (7) 3221 7770
Email: **admin@elementos.com.au**

Elementos is an Australian, ASX-listed, copper and gold exploration company, with projects in Chile, Argentina and Australia. The properties are all in mineral rich, highly prospective provinces, with developed infrastructure nearby. Please visit us at: **www.elementos.com.au**