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NEW MINERALISED GOLD ZONE DISCOVERED AT SANTO DOMINGO

Highlights

- 19.7 metres at 2.1 g/t gold in a new structure, 300 metres west of El Arriero
- New mineralised epithermal shear-zone similar to the existing Yvette zone
- The potential of the Santo Domingo mineral system continues to expand with two epithermal structures now located adjacent to the porphyry system

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to provide an exploration update for the Santo Domingo project, Argentina.

A new 400 metre long zone of gold-bearing mineralised shear-structure has been identified 300 metres to the west of the El Arriero porphyry prospect, see Figures 2 and 3. Grades of up to 25.5 g/t gold and 35 g/t silver occur in sheeted quartz stockwork veinlets within a larger shear structure. A continuous rock chip channel sample across the structure assayed 19.7 metres at 2.1 g/t gold and 2 g/t silver, including:

- 0.5 metres at 25.5 g/t gold and 14 g/t silver;
- 0.2 metres at 24.3 g/t gold and 35 g/t silver;
- 0.2 metres at 14.4 g/t gold and 13 g/t silver;
- 0.3 metres at 21.2 g/t gold and 18 g/t silver; and
- 0.2 metres at 12.8 g/t gold and 16 g/t silver.

The main structure encompasses twenty high-grade, steeply dipping, sheeted veinlets within a 20 metre wide shear-structure with sericite, silica and calcite alteration, see Figure 1. This is hosted by a gabbro intrusion with potassic alteration overprinted by argillic alteration, typical of the margins of a porphyry environment.

The mineralised shear structure occurs along the border of the circular feature that encompasses the three largest porphyry-style mineral prospects at Santo Domingo, see Figure 2. The new mineralisation occurs as discrete, high-grade gold, sheeted veinlets in a strongly altered shear zone, typical of an Intermediate Sulphidation Epithermal (ISE) system, and similar to those seen in the Yvette prospect in the east of the property. Further exploration is required to map the extent of the system which is visible on surface over 400 metres of strike length and trends north-eastwards.

El Arriero West Target Description

The new occurrence is a silica-poor, ISE-style mineralisation, similar to the extensive system already discovered in the Yvette prospect in the eastern sector of Santo Domingo. These systems are typified by stockwork or discontinuous sheeted high-grade veinlets within strongly altered country rock and are frequently poorly exposed. The mineralisation occurs within shear structures feeding from a deeper source, such as an intrusion or related hydrothermal breccia. The system has initially been mapped over a strike length of 400 metres.

The new El Arriero West prospect has been exposed by recent flooding, highlighting the potential of the area for further discoveries of mineralisation on surface. Required follow-up work includes identifying the northern and southern extensions of the structure, and their relationship with the El Arriero porphyry system.

The existing Yvette system has been traced over 8.5 kilometres of outcrop on two diverging trends located three kilometres east of the new occurrence. The lineations of the Yvette Norte trend and the new El Arriero West trend appear to intersect within the El Arriero East porphyry prospect, further emphasising the potential of the project.

Figure 1: The high-grade, sub-parallel veinlets clearly visible within the sub-vertical, north-easterly trending shear structure, cutting a gabbro with high-temperature potassic alteration at El Arriero West.

Exploration Potential

The Santo Domingo project exhibits two distinctive styles of mineralisation that need further testing to determine their economic potential:

- Low-grade, high-tonnage, gold–copper disseminated porphyry mineralisation; and
- Peripheral, moderate-tonnage, gold-silver polymetallic mineralised shears.

The gold-silver-polymetallic epithermal structures, cross-cutting the phyllic and potassic alteration peripheral to the porphyry mineralisation, have the potential to increase the overall grade of the system.

The mineralised shear structures found in the El Arriero West prospect expands the array of stockwork-style ISE targets peripheral to the porphyry mineralisation. On a larger scale, this is further evidence of mineralisation adjacent to the two kilometre diameter circular anomaly which encloses the three porphyry prospects, with Yvette and El Arriero West as peripheral structures.

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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. Samples returning greater than 1 % lead and / or greater than 1 % zinc are assayed using aqua regia digestion ore grade / AAS.

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 its subsidiaries, 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.

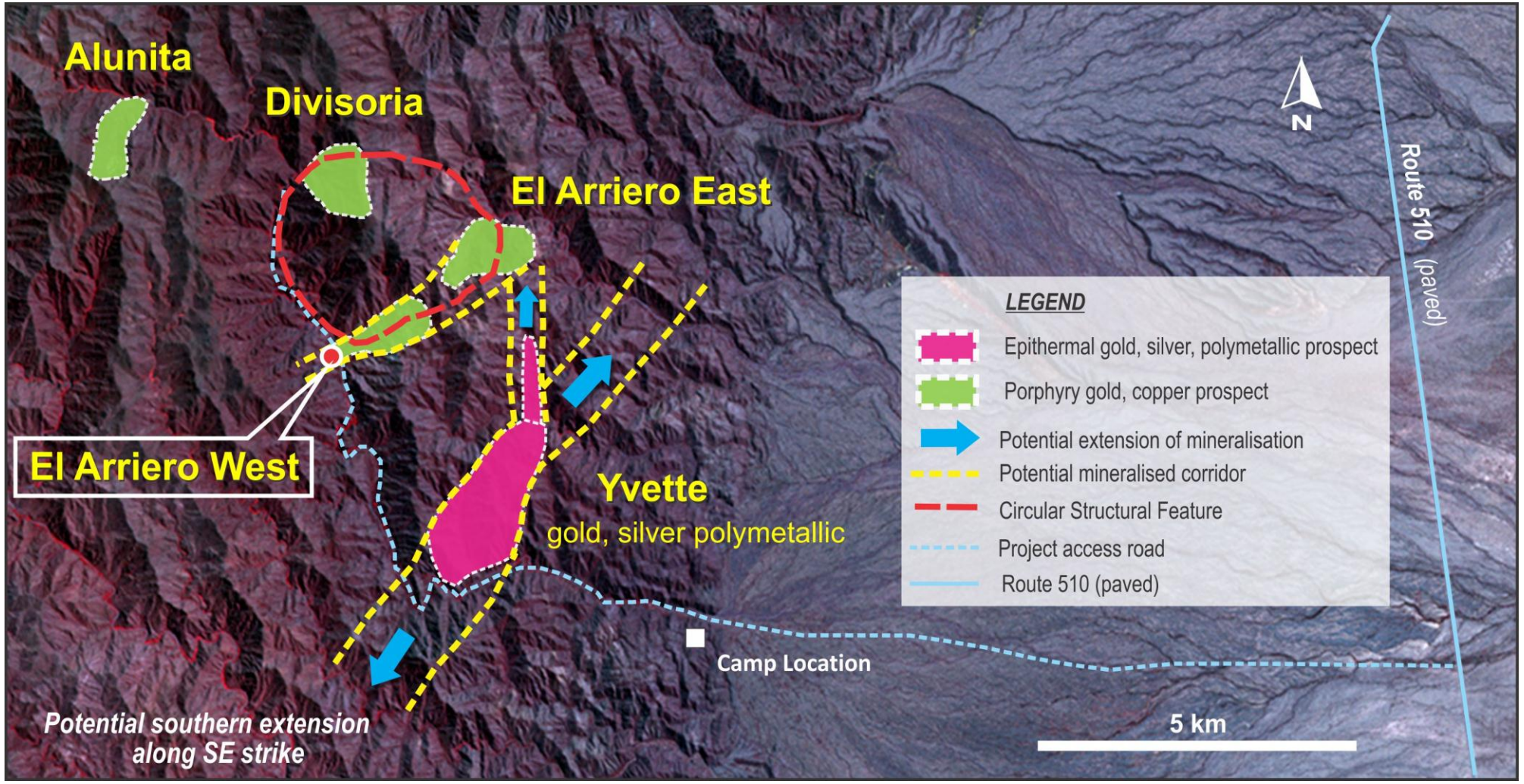

Figure 2: Location of main prospects at the Santo Domingo Project

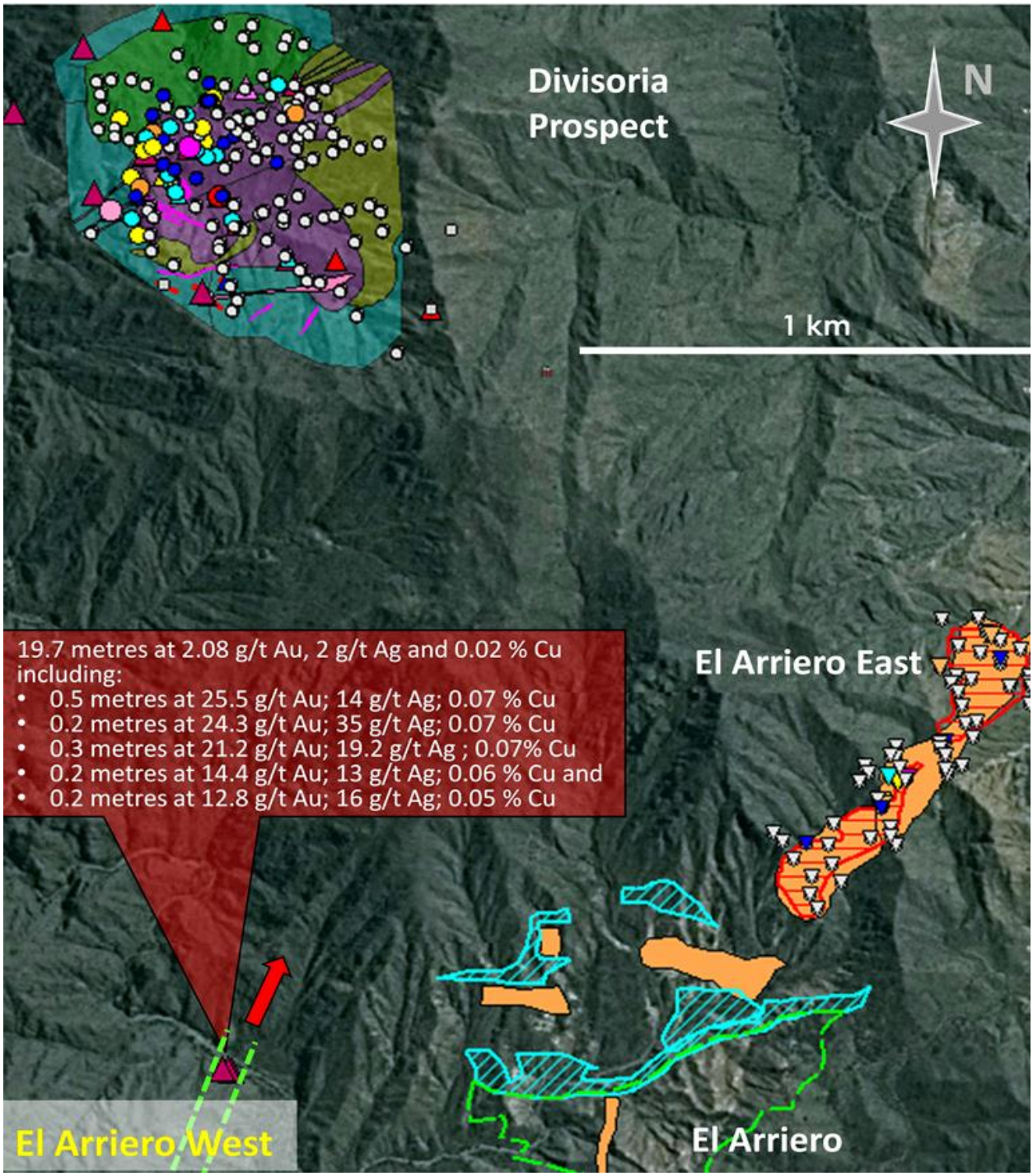

Figure 3: Sample location and gold results at El Arriero West (highlighted in red), showing its relative location to the Divisoria, El Arriero and El Arriero East (ex-El Arriero Extension) porphyry prospects.

Table 1: Assay results from the new Western Extension of El Arriero prospects. These are all from continuous chip-channel sampling of newly exposed outcrop.

Sample ID	Sample type	Sample length (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Rock Type	Prospect
4573	Chip Channel	1.0	0.012	0.15	0.01	Gabbro	EAW
4981	Chip Channel	0.2	24.3	35	0.07	Structure	EAW
4574	Chip Channel	0.2	0.027	0.5	0.01	Gabbro	EAW
4575	Chip Channel	0.1	4.579	10	0.08	Structure	EAW
4576	Chip Channel	1.0	0.014	0.15	NSR	Gabbro	EAW
4577	Chip Channel	0.6	0.636	0.4	0.01	Structure	EAW
4578	Chip Channel	1.3	0.067	0.15	NSR	Gabbro	EAW
4579	Chip Channel	0.1	0.183	1.3	0.02	Structure	EAW
4580	Chip Channel	1.1	0.012	0.15	0.01	Gabbro	EAW
4982	Chip Channel	0.2	14.4	13	0.05	Structure	EAW
4581	Chip Channel	1.2	0.014	0.15	0.01	Gabbro	EAW
4582	Chip Channel	0.8	0.13	0.3	0.01	Gabbro	EAW
4583	Chip Channel	0.2	2.765	2	0.04	Structure	EAW
4584	Chip Channel	0.7	0.036	0.15	0.01	Gabbro	EAW
4585	Chip Channel	0.2	9.039	6	0.05	Structure	EAW
4586	Chip Channel	1.4	0.045	0.4	0.01	Gabbro	EAW
4587	Chip Channel	0.4	6.95	5	0.07	Structure	EAW
4588	Chip Channel	0.3	0.083	0.8	0.03	Gabbro	EAW
4589	Chip Channel	0.2	1.825	1.5	0.04	Structure	EAW
4590	Chip Channel	1.5	0.066	0.4	0.02	Gabbro	EAW
4591	Chip Channel	0.3	8.037	6	0.07	Structure	EAW
4592	Chip Channel	0.6	0.026	0.15	0.01	Gabbro	EAW
4593	Chip Channel	0.1	3.537	7	0.03	Structure	EAW
4594	Chip Channel	0.9	0.04	0.5	0.01	Gabbro	EAW
4595	Chip Channel	0.5	25.5	13.9	0.07	Structure	EAW
4596	Chip Channel	1.1	0.119	0.3	0.01	Gabbro	EAW
4597	Chip Channel	0.2	8.518	3.5	0.07	Structure	EAW
4599	Chip Channel	0.2	12.8	17.6	0.05	Structure	EAW
4600	Chip Channel	1.2	0.028	0.15	NSR	Gabbro	EAW
4983	Chip Channel	0.3	21.2	18	0.07	Structure	EAW
1998	Chip Channel	1.0	0.04	0.15	0.01	Gabbro	EAW

Notes: EAW: Western Extension of El Arriero

Chip Channel: Representative continuous channel samples in outcrop, using chisels, but not previously sawn.

Sample Length: All samples taken as close as possible to perpendicular to the apparent strike of the mineralisation. Therefore, sample length ≈ apparent width.