

20 DECEMBER 2012

Tamaya Drilling Program Update

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to provide an update on the drilling program at the Tamaya project, Chile.

The diamond drilling program, the first ever conducted on the property, has been designed to test the copper-gold potential of the Tamaya project. The aim of the program is to test a number of different mineralisation styles and targets. The program was designed to drill up to 5,000 metres in approximately 15 holes.

The main prospects being targeted during the drilling program include Campanil, Lecaros, San Jose, Tortolas, San Francisco and Arenillas. The first five holes comprising approximately 1,600 metres have been completed. Drilling is currently underway at the San Francisco prospect which is expected to be completed prior the Christmas break.

Campanil

The Company has drilled three holes and received the assay results for the Campanil Prospect. The exploration target is a bulk tonnage, lower-grade, copper oxide mineralisation. A number of zones of copper oxide mineralisation were intersected with grades between 0.15% and 1.0% copper, including:

- TD12-01 - 10.2 metres at 0.32% copper from 3.0 metres, including 1.2 metres at 0.99 % copper;
- TD12-02 – 26.4 metres at 0.48% copper from 0 metres, including 7.3 metres at 1.06% copper and 0.125 g/t gold from 5 metres, and 1.4 metres at 1.08% copper from 25 metres; and
- TD12-03 - 1.9 metres at 0.36% copper from 254.0 to 255.9 metres, and 1.95 metres at 0.61% copper from 271.2 to 273.15 metres.

Lecaros

One hole (TD12-04) has been drilled at Lecaros. Two structures were intersected near the surface hosting copper oxide mineralisation in breccia. Fractures with veinlets of pyrite and chalcopyrite occur lower down the hole, which correspond with structures mined at surface. From the evidence of the drilling and mapping, it is apparent that the mineralised structures pinch and swell along strike and to depth. This hole intersected the most easterly structures where they had pinched. The hole was stopped at a depth of 251.5 metres. Assay results are still outstanding for this hole.

San Jose

Hole TD12-05 was the first hole drilled in the main vein structure at the San Jose prospect, directly beneath the adit to the old San Jose mine.

Hole TD12-05 was drilled to 637 metres without intersecting the main vein. In the last 200 metres, the hole intercepted andesitic rock and then passed into pyroclastic rock (more permeable for mineralisation) for the last 100 metres. In both cases, the rock was highly altered (silica, hematite, tourmaline and chlorite-epidote) and brecciated, with pyrite and minor chalcopyrite. The intensity of the alteration gradually increased with depth, suggesting that the hole was approaching the source of the mineralising fluids – the Main Vein structural system.

The most likely explanation for not intersecting the vein is the shallower dip of the main vein structure compared to that interpreted on surface. Because there is no good access to the western side of the Tamaya hill, it was not possible to drill the hole perpendicular to the structure. It is therefore believed the drillhole trace was sub-parallel to main structure.

Whilst not intersecting the vein was disappointing, the core will be analysed for copper and gold and, should the results be encouraging, it can be drilled deeper in the future.

Current Drill Hole

The rig is currently being mobilised to the San Francisco Prospect where a final hole will be completed prior to the Christmas break.

Summary

When the San Francisco hole has been completed, the Company will have drilled approximately 1,940 metres.

The drilling results to date indicate that further drilling is warranted at Campanil to identify a large tonnage copper oxide target. The drilling has confirmed zones of copper oxide mineralisation extending from surface in the wallrocks of the Main Vein. The mineralisation is visible within the old Campanil workings on the southern end of the Tamaya hill.

Although hole TD12-05 at San Jose did not intersect the main high-grade structure, alternative drilling locations and methodologies will be reviewed before commencing further drilling at the prospect. The Main Vein structure remains a primary un-tested target at Tamaya. Key prospective features include:

- the vein system extends for more than 3 kilometres on surface, and is coincident with both magnetometry and induced polarisation geophysical anomalies;
- voluminous waste rock dumps around San Jose contain significant amounts of high-grade material which is subject to extraction by artisanal miners;
- extensive surface sampling has demonstrated wide-spread copper mineralisation along the strike extent of the Main Vein structure, and into the wall-rocks surrounding the structure; and
- the Main Vein was the focus of historical high-grade copper mining where it is reported that up to 2Mt of copper was mined at grades of 12% (non-JORC). It is still considered highly prospective for remnant high-grade mineralisation.

The Company is reviewing its drilling strategy for San Jose before commencing any new holes at this prospect.

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 Argentina, Chile and Australia. The properties are all in mineral rich, highly prospective provinces, with developed infrastructure nearby.

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SAMPLE QUALITY CONTROL AND ASSURANCE

Samples were prepared and assayed by ALS Chile (ALS), Minerals Division, at their facility in Coquimbo, an ISO-9001:2008 certified laboratory. Methods utilised were:

- Copper assay by Four Acid Digest and Atomic Absorption Spectrometer (AAS);
- Gold assay by Fire Assay (30g) and AAS;
- Copper intervals are weighted averages of sample length multiplied by gold grade.

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.

Table 1 – Tamaya Drilling Assay Results

		Collar Coordinates (UTM / WGS84) (1)			Collar Surveys (2)			Significant Intersections (3)				
HoleID	Prospect	Northing, m	Easting, m	Altitude, m	Azimuth	Dip	Final Depth	From (m)	To (m)	Core Length (m)	Cu %	Au ppm
TD12-01	Campanil	275532	6616287	989	95	-75	283.3	3	13.2	10.2	0.32	NSR
including								3	4.2	1.2	1.18	NSR
TD12-02	Campanil	275490	6616191	980	70	-80	90.3	0	26.4	26.4	0.48	NSR
including								3	10.3	7.3	1.06	0.125
and								25	26.4	1.4	1.08	NSR
TD12-03	Campanil	275616	6616311	939	270	-45	413.5	254	255.9	1.9	0.36	NSR
								271.2	273.15	1.95	0.61	0.09
TD12-04	Lecaros	275804	6615725	896	65	-65	251.5	Assay pending				
TD12-05	San Jose	276125	6618291	968	270	45	637.2	Assay pending				

Notes: ¹ All coordinates are reported in UTM, WGS84, Zone 19 South and surveyed by hand 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 0.1 % copper cut-off grade was used at the beginning and end of the reported mineralised intersects. Low-grade zones less than five metres width within an intersection were included in the intersection. No upper cut-off was applied.

NSR: No Significant Results.