

2 APRIL 2013

Elementos to Acquire Advanced Tin Deposit

Highlights

- Elementos to merge with Rockwell Minerals Limited to create a diversified company, including an advanced stage tin and tungsten project with significant exploration potential
- Rockwell expects to release a JORC resource statement within weeks
- Merger reduces exposure to higher-risk greenfield exploration
- London Metal Exchange tin prices performed strongly during 2012, increasing by 22%. Consensus price forecasts point to further price increases beyond the 10% increase seen in 2013, driven by expected future mine supply shortfalls and stable demand

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce an agreed merger transaction with Rockwell Minerals Limited ("Rockwell"), an Australian unlisted public company. The merger creates a diversified metals company, including the Cleveland advanced tin and tungsten deposits in Tasmania, and a number of prospective gold and copper assets in South America and Australia.

The Cleveland tin and tungsten project located in Tasmania was operated by Aberfoyle between 1968 and 1986, producing tin and copper concentrates. A substantial tin and copper deposit, and a separate tungsten deposit remains, including a large low-grade tin tailings dam. A JORC-compliant tin and tungsten resource report is being finalised from a database comprising more than 1,977 drill holes (over 134,000 metres) and 75,000 assay points.

The merger of Elementos and Rockwell has a strong strategic rationale, for it:

- Positions Elementos with a more advanced asset, reducing the Company's exposure to greenfield exploration;
- Secures a new advanced stage project with near term development potential, and significant exploration upside;
- Provides a potential valuation up-lift from relatively short-term work programs;
- Enables a significant exposure to tin, which the board believes has attractive supply and demand fundamentals; and
- Bestows a management team and board with the expertise and experience to move advanced assets through financing and into development.

The acquisition is subject to completion of due diligence, finalisation of an implementation deed, and shareholder and statutory approvals.

Term Sheet

Elementos has entered into a conditional term sheet to acquire all the issued shares of Rockwell, an unlisted public tin and tungsten exploration company, through the issue of Elementos shares.

On completion, Rockwell shareholders will own 55% of the total issued share capital of the merged group, and the present Elementos shareholders 45%.

The Directors of Rockwell have resolved unanimously to recommend that Rockwell shareholders accept the proposal, and intend accepting the proposal with respect to their own shares.

Calvin Treacy (chairman of Rockwell) and Richard Trevillion (a non-executive director of Rockwell) will join the board of Elementos, reflecting the new strategic direction of the Company. A. Anthony McLellan will remain non-executive chairman of the combined group.

Rockwell has also entered into an option agreement to acquire the remaining interest in tenement EL7/2005 for a total consideration of \$700,000, payable by 31 December 2013.

About Rockwell Limited

Rockwell is an unlisted public Company that owns 50% of the Cleveland project. Rockwell has completed a number of preliminary studies on re-opening the mine, including an internal scoping study on processing the tin tailings resource. It also commenced environmental base line studies.

Cleveland is a historical underground tin mine operated by Aberfoyle Limited between 1968 and 1986. The mine produced 5,645,035 tonnes of tin and copper ore grading 0.68% and 0.28% respectively, producing 23,519 tonnes of tin and 9,691 tonnes of copper in concentrates. The mine closed due to the low tin prices in the late 1980s.

The mine was operated successfully with good ground conditions conducive to low-cost, long-hole, open-stoping methods. It is expected that metallurgical recoveries and concentrate grades will be substantially improved in a modern-day concentrator using the latest technologies available for tin recovery.

The mine was developed down to approximately 400 metres below the surface, the underground decline and stopes are still available for access to the known deposits of tin and tungsten. There is a four kilometre decline and approximately eleven kilometres of underground development in place, although mine access will be restricted until dewatering and rehabilitation is completed.

The Cleveland project includes a relatively shallow, hard-rock tin-copper deposit, the Foley tungsten deposit approximately 500 metres below the surface, and a substantial quantity of low-grade tin and copper tailings, all contained within an Exploration Permit area of 18 square kilometres. Rockwell also controls two additional exploration permits representing 76 square kilometres of prospective ground for further tin, tungsten, lead, zinc and silver exploration (see Figure 2).

There is excellent potential to expand on the known areas of mineralisation in both the tin and tungsten deposits:

- Whilst there is a significant amount of drilling within the tin deposit areas, most of the exploration focus by Aberfoyle was on the incremental expansion of known mineralisation. The main tin deposit remains open at depth and along strike, and there are intersections outside the known deposit areas; and
- The Foley tungsten system remains open along strike and at depth. Aberfoyle reports indicate the potential for major extensions of the Foley zone to the north.

The tin province in northwest Tasmania hosts some of the world's highest grade and most productive tin mines, including Renison Bell, Mt. Bischoff and Cleveland (see Figure 4). The region also hosts operating iron ore, lead/zinc, gold and copper mines.

The region has well developed infrastructure and a strong mining culture. The site is linked to Burnie Port by sealed roads. Accessible power runs through the Cleveland exploration licence area, and there is abundant water available for use in the process. The Burnie region has a large, available, and industrially-savvy workforce (see Figure 3). The Tasmanian Government, Environmental Protection Authority and Department of Mineral Resources have all indicated support for the Cleveland project.

Development activities in progress and planned include:

- Release a JORC compliant resource estimate for the tin and tungsten deposits;
- Finalise environmental permitting and Mining Lease applications;
- Implement a dewatering program to re-establish access to the Cleveland mine;
- Commence an exploration drilling program to define new resources and extensions within the tin and tungsten deposits, previously identified by Aberfoyle, but never drilled. A number of new greenfield exploration targets will also be evaluated;
- Progress metallurgical test-work and design a new process flow sheet utilising the latest tin processing technologies, which have substantially advanced since mine closure; and
- Complete a scoping study to identify the optimal development scenarios for the tin, tungsten and tin tailings, including capital and operating costs.

Additional financing will be required and proposals are being prepared.

Transaction Approvals Process

The merger is subject to the satisfactory completion of due diligence and an implementation deed, and obtaining all the necessary shareholder and regulatory approvals.

It is expected the transactions will close by the end of June 2013.

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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.

Please visit us at www.elementos.com.au



Figure 1 – Location map

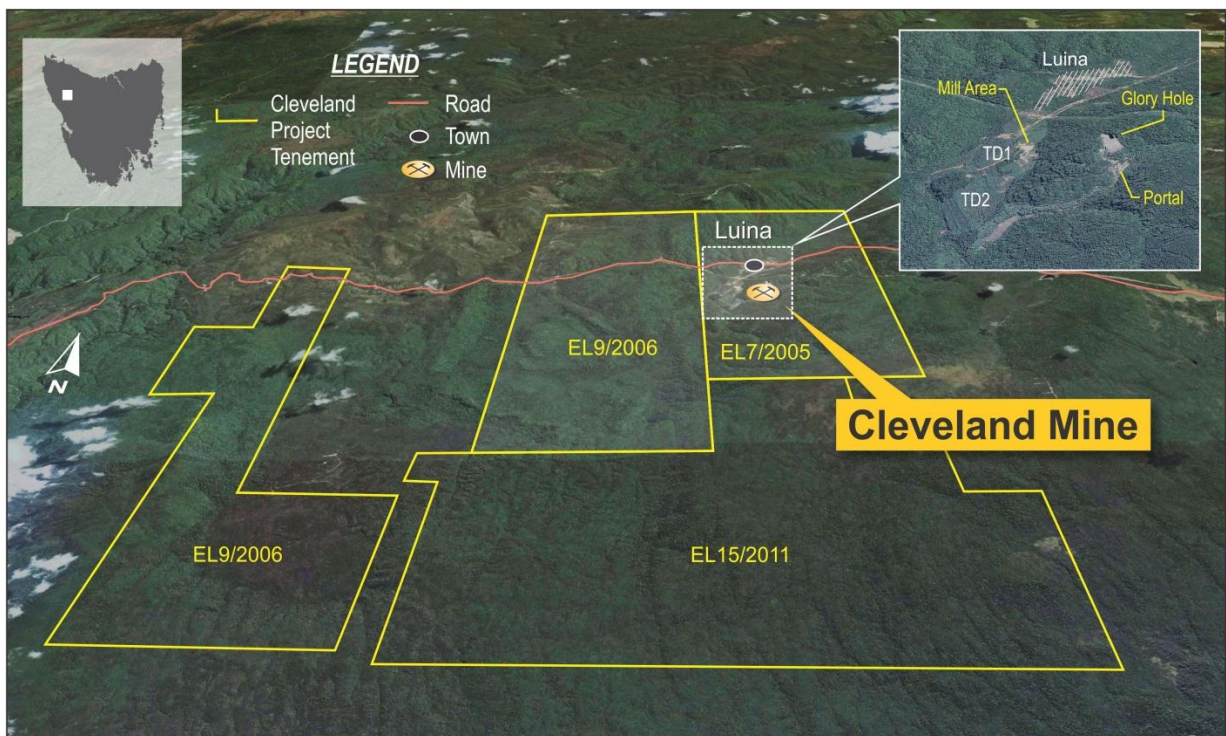


Figure 2 – Tenement package



Figure 3 – Infrastructure in the Cleveland district



Figure 4 – Major mines and deposits in north-west Tasmania