

13 May 2013

**AMENDMENT TO THE QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 2013**

The March 2013 Quarterly Activities Report has been amended to clarify the Competent Persons for each of the Company's projects.



Linda Scott
Company Secretary

30 APRIL 2013

QUARTERLY REPORT MARCH 2013

Highlights

- Elementos to merge with Rockwell Minerals Limited to create a diversified company, including an advanced stage tin-copper and tungsten project with significant exploration potential
- Tamaya 5,000 metre drilling program completed. Large zones (20 metres at 0.64% copper and 0.14g/t gold) of prospective disseminated copper mineralisation identified in RC drill holes enveloping narrow high-grade structures (up to 3.17% copper and 0.9g/t gold)

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") activities this quarter have included finalisation of a term sheet for a merger with Rockwell Minerals Limited ("Rockwell") and completion of the Tamaya drilling program.

MERGER WITH ROCKWELL

During the quarter, Elementos announced a conditional merger transaction, subject to completion of due diligence, with Rockwell, an Australian unlisted public Company. Rockwell owns 50% of the Cleveland tin-copper and tungsten project in north-west Tasmania, together with an option to acquire the remaining 50% interest.

The merger creates a diversified metals company, including the Cleveland advanced tin-copper and tungsten deposits in Tasmania, and a number of prospective gold and copper assets in South America and Australia.

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

- 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 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 transaction will close by the end of June/early July 2013.

Merger term sheet

Elementos has entered into a conditional term sheet to acquire all the issued shares of Rockwell, an unlisted public tin-copper 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.

Cleveland tin-copper and tungsten project

Cleveland is a historical underground tin-copper 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 mid-1980s.

The mine was operated successfully with good ground conditions conducive to low-cost, long-hole, open-stoping methods. There is potential for metallurgical recoveries to 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-copper 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. Subsequent to the end of the March quarter, Rockwell completed its JORC Mineral Resources estimates for the Cleveland project – please see ASX release, “Cleveland Tin, Copper and Tungsten JORC Resources, 18 April 2013.

Rockwell also controls two additional exploration permits representing 76 square kilometres of prospective ground for further tin, tungsten, lead, zinc and silver exploration.

There is excellent potential to expand on the known areas of mineralisation in both the tin-copper 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 north-west Tasmania hosts some of the world's highest grade and most productive tin mines, including Renison Bell, Mt. Bischoff and Cleveland. 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. 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-copper and tungsten deposits announced 18 April 2013;
- 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-copper 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-copper, tungsten and tin tailings, including capital and operating costs.

Additional financing will be required and proposals are being prepared.

TAMAYA

During the quarter, the Company completed the first 5,079 metres of drilling at the Tamaya project, Chile. The program comprised 2,026 metres of diamond drilling and 3,053 metres of reverse circulation ("RC") drilling.

The drilling program, the first ever conducted on the property, was designed to explore the copper-gold potential of the Tamaya project. The aim of the program was to test a number of different mineralisation styles and targets identified throughout the project. This included the main primary structure at San Jose, historically mined for high-grade copper, and a number of secondary targets including Campanil, Lecaros, Tortolas, San Francisco, Borrachos and Arenillas.

The majority of the secondary targets have now been drill tested. However, the Company is yet to test the main primary structure at San Jose.

RC Drilling Program Highlights

Eleven RC boreholes, totalling 3,053 metres, were drilled in a number of secondary targets around the Tamaya property, including:

- seven at Tortolas in the south-eastern sector of the Tamaya Project area;
- three at Borrachos, approximately two kilometres to the north of Tortolas along an interpreted structure; and
- one at Arenillas, some 400 metres north-west of the San Francisco prospect.

The holes ranged in depth from 46 to 390 metres, the shortest hole having been abandoned for technical reasons in old mine workings. All the holes except for one, were drilled with an easterly azimuth aiming for perpendicular intersections into the westerly dipping structures and stratigraphy. All the holes have been sampled at two metre intervals.

Some of the best results were reported at Tortolas, including TR13-01, which reached a depth of 346 metres, but was stopped prematurely due to the excess underground water pressure causing technical difficulties. Several mineralised intersections were encountered including:

- 24 metres between 236 and 260 metres with an average grade of 0.59% copper and 0.19g/t gold, followed by;
- 20 metres at 0.64% copper and 0.14g/t gold from 326 metres to the bottom of the hole, which ended in mineralisation.

These intersections demonstrate that there is a potential for bulk tonnage mineralisation within the intrusive rocks, and that the mineralisation continues beneath the end of the borehole. The average grades over the entire width of 110 metres from 236 to 346 metres to the end of hole was 0.28% copper and 0.11g/t gold, which include the zero assay values for a sterile zone between 302 and 314 metres (with no cut-off applied).

Within these intersections are narrower higher-grade intervals, including:

- TR13-01
 - 2 metres at 1.77% copper and 0.48g/t gold from 154 metres
 - 2 metres at 2.06% copper and 0.42g/t gold from 240 metres
 - 2 metres at 1.78% copper and 1.06g/t gold from 250 metres
 - 6 metres at 1.54% copper and 0.37g/t gold from 332 metres, including 2 metres at 3.17% copper and 0.91g/t gold from 334 metres.
- TR13-05
 - 2 metres at 0.41% copper and 2.49g/t gold from 300 metres.

These intersections are related to narrow higher-grade structures at deeper levels in the system, which are similar to those mapped on surface at Tortolas. They highlight the potential for large vertical extents of higher-grade mineralisation within a lower-grade bulk tonnage envelope. This system is quite separate but similar to the main parallel vein system 2.5 kilometres east at the San Jose Prospect.

At Borrachos, boreholes TR13-08 in the north sector of the prospect, and TR13-09 and TR13-10 in the southern sector, intersected 12 metres at 0.38% copper, 8 metres at

0.34% copper and 10 metres at 0.24% copper respectively, each zone hosting narrower high-grade intervals.

On the western flank of the Cerro Tamaya hill, the adjacent San Francisco and Arenillas prospects were tested by TD12-06 and TR13-11 respectively. Each showed copper oxide mineralisation from surface with 25 metres at 0.43% copper in the former and 8 metres at 0.38% copper in the latter, with each intersection including narrower higher-grade mineralisation.

Next Steps

The completion of the drilling program fulfils the year-one work commitment under the terms of the Option Contract with HMC Gold.

The Company is pleased with its inaugural program and is assessing all the results before planning the second phase of exploration at Tamaya.

At Tortolas, the program has demonstrated that the higher-grade structures are enveloped by wider zones of lower-grade mineralisation. Additional follow up diamond drilling will be required to test the vertical extension of the higher-grade copper at the bottom of hole TR13-01 and collect more detailed geological information at the prospect.

The primary focus of the next phase of exploration is to develop a drilling methodology to test the main structural vein system at Tamaya. The Company believes it to be a highly prospective target:

- The vein system extends for more than three kilometres on surface, and is coincident with both magnetometry and induced polarisation geophysical anomalies;
- Waste rock dumps along the length of the system, and particularly around San Jose, mostly comprise material from the mineralised envelope to the main vein, yet contain significant amounts of higher-grade material (0.5 – 5.0% copper) which is subject to extraction by artisanal miners. As this was dumped as waste, the source of this material, together with the remnants of the main vein, form the priority target;
- Extensive surface sampling has demonstrated wide-spread copper mineralisation along the strike extent of the main vein structure, and into the wallrocks 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.

CASH RESOURCES

At the end of the period, the Company had cash resources of \$0.7 million. In addition, the Company was in the process of having the \$0.5 million bank guarantee released, following the completion of the first 5,000 metres of drilling at Tamaya.

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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

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Tamaya Project, Chile, 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.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Cleveland tin-copper and tungsten project, Tasmania, is based on information compiled by Michael V. McKeown of Mining One Consultants, a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McKeown is an employee of Mining One Consultants 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 McKeown was responsible and supervised the preparation of the technical information in this release and has relevant experience and competence of the subject matter. Mr McKeown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.