

6 November 2013

CAPITAL RAISING TO FUND NEXT PHASE OF GROWTH

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce a capital raising to fund its advanced development activities for the Cleveland tin-copper and tungsten projects in Tasmania.

Capital Raising

The Company has completed a private placement to a number of strategic investors and secured firm commitments for \$1.3 million at 2 cents per share. Richard Seville, a non-executive director of the Company, will seek shareholder approval for a placement of \$0.15 million (part of the \$1.3 million above) at an Extraordinary General Meeting ("EGM") planned for December 2013. The balance of the placement being \$1.15 million, falls within the Directors 15% placement capacity (Listing Rule 7.1).

In addition, a number of other investors have expressed interest in participating in the capital raising by providing up to an additional \$0.3 million at 2 cents per share. The additional funding commitments are expected to be finalised by the 9 November 2013.

The new funds will be applied to completing:

- The environmental permitting process scheduled to be completed in December 2013 for the mine de-watering and tailings retreatment project;
- The pre-feasibility study to redevelop the underground tin-copper mine;
- Acquisition payments for the remaining 50% interest in the Cleveland project exploration license; and
- Corporate overheads and general working capital.

Cleveland's Unique Competitive Advantages

The capital raising represents the first significant milestone since completing the merger with Rockwell Minerals Limited. The capital raised will provide a new platform for growth at a time when securing new funding is extremely difficult. The capital will be invested into advancing the Cleveland tin-copper project to the pre-feasibility study stage.

The Company believes that Cleveland has a number of distinctive competitive advantages that have the potential to reduce both the capital and operating costs, and the time to first production, including:

- The potential of an integrated development strategy, firstly processing the part of tailings resource whilst re-establishing the mine and additional infrastructure required to process the hard rock tin-copper resources;

- Proven low-cost mining methodology with evidence of excellent mining conditions over nearly twenty years of production;
- Proven processing methodology, based on simple cassiterite mineralogy, including recovery into saleable tin and copper concentrates. Metallurgical performance has the potential to be significantly improved using modern-day cassiterite ore processing technologies;
- Substantial underground infrastructure in place including a decline four kilometres in length;
- Brownfield project site which minimises future environmental disturbances and the expected time to achieve environmental permitting; and
- Unique position in respect of development infrastructure including roads, power, water, labour and an export port.

Positive Tin Price Outlook

The advancement of the Cleveland project is occurring at a time of rising London Metal Exchange traded tin prices, and a positive future outlook. Tin prices have increased from approximately US\$19,000 per tonne to US\$23,000 per tonne since July 2013. The Company believes that there is significant potential for further upward price pressure in the foreseeable future, due to structural changes occurring in the supply of tin, including:

- Closure of the high-grade San Rafael tin mine in Peru, expected in 2017/2018, which represents approximately 10% of the global tin supply;
- Declining supplies of tin concentrate supply from the Asian region, principally China and Indonesia, due to falling grades and environmental pressures;
- Restricted exports from Indonesia, a significant source of global tin supply (approximately 100,000 tonnes or quarter of the global tin supply), due to new rules imposed by the Government requiring tin to be traded on a local exchange prior to export; and
- Falling supply of tin from alluvial sources and the realisation that future supplies will need to come from lower-grade, higher cost, hard-rock supplies.

Monetisation of Elementos' Non-Tin Assets

The Company is also making progress towards its objective of monetising the non-tin assets. These assets have the potential to add significant shareholder value, including:

- The Millenium joint venture with China Yunnan Copper (ASX:CYU) will commence a drilling program during November;
- Cleveland tungsten, where the Company has announced a significant exploration target (see ASX release, Cleveland Project Tungsten Potential, 29 October 2013), is being progressed with a work program aimed at commencing a scoping study later in 2014 and ultimately attracting a development partner;
- South American assets where the Company is in discussions with a number of parties in regard to the potential joint venture and/or sale; and

- Selwyn Range in far north Queensland, where the Company has some indicative interest in forming a joint venture.

For more information please contact:

Calvin Treacy

Managing Director

Phone: +61 (7) 3221 7770

Email: admin@elementos.com.au

Elementos is an Australian, ASX-listed, diversified metals company, including Cleveland, an advanced stage tin-copper and tungsten project in Tasmania, together with a number of prospective copper and gold assets in South America and Australia.

Please visit us at www.elementos.com.au