29 November 2013

MANAGING DIRECTOR ADDRESS AT 2013 ANNUAL GENERAL MEETING

Dear Shareholder,

This has been a year of significant change for your Company, transitioning from being an early-stage, South American based copper-gold explorer, to the developer of an advanced stage tin-copper and tungsten project in Tasmania.

Following the very short period since the completion of the merger with Rockwell Minerals Limited, the Company has made considerable progress towards achieving some of the objectives outlined at the time of the merger. Key milestones achieved include:

1. Restructure of the Cleveland Project Purchase Agreement

The Company has secured new option terms for acquiring the remaining 50% interest in Exploration Licence 7/2005, covering the historic Cleveland mine site.

The new contract terms require the payment of $50,000 per month, commencing in November 2013 until February 2015, for a total payment of $750,000. This compares to the previous terms requiring the payment of $700,000 by 31 December 2013.

The new contractual arrangement is of significant benefit to the Company at a time when raising new capital in the resources industry is extremely difficult. The additional time will allow the Company to focus its cash resources towards the advancement of the project, and defers transaction costs until 2015.

2. Commencement of the Cleveland Tin Pre-Feasibility Study

The Company has commenced its pre-feasibility study ("PFS") to assess the near term development potential of the substantial, relatively shallow, in-ground tin-copper resources. The tin-copper resource is well-defined through more than 130,000 metres of drilling. Cleveland also has proven mining and metallurgy through more than 20 years of well-documented historical operations.

The PFS will also examine the feasibility of an integrated development strategy, firstly processing part of the tailings resource whilst re-establishing the mine, and the additional infrastructure required to process the hard rock tin-copper resources.

The PFS will be prepared by MiningOne and pitt&sherry who together have significant experience and expertise in all aspects of tin resource definition, mining, processing and local infrastructure. The PFS will focus on the fundamental variables that will determine the technical and economic viability of developing a standalone underground tin mine and processing facility, or an integrated facility at Cleveland.

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3. Continued Progress for the Cleveland Environmental Approval

The final step in our application for a tailings and mine dewatering environmental approval at the Cleveland site is progressing well, with a Development Proposal and Environmental Management Plan submission due for lodgement in December 2013. We believe that our advanced progress in the application is another differentiator for the Cleveland project and we look forward to working with all the stakeholders to implement a plan that is supported by all parties.

4. Defined an Exploration Target for the Cleveland Tungsten Potential

Independent consultants, MiningOne, have reported an Exploration Target for Foley's tungsten zone at Cleveland. The Exploration Target was defined from 26 diamond drill holes totaling 6,796 metres.

Foley's tungsten zone represents an exciting additional opportunity for the Company, and the potential of the tungsten deposit has not previously been recognised. Tungsten is a high-value metal, with supplies of tungsten outside of China, which controls approximately 84% of the market, difficult to secure. The Company will now commence a work program to study the development potential of the project.

5. Raised New Working Capital

The Company is very pleased to have recently completed a $1.67 million capital raising at 2 cents per share to fund our growth activities.

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:

- A recently formed joint venture agreement with Chinalco Yunnan Copper Resources Ltd ("CYU") at the Millenium project in far north Queensland. CYU commenced a drilling program earlier this month targeting copper, cobalt and gold, and we are hopeful the results will bring value to the Company's retained interest in the project;
- Our 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.

Despite the continued very difficult trading environment for junior resource companies, Elementos is extremely well positioned to continue advancing the Cleveland tin project towards development. The Rockwell Minerals Limited merger has given the company an exciting new vision, new people and new opportunities. With this new start, we are confident that we can build a robust and exciting company for our shareholders.

The new direction also comes 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.

I would like to express my sincere appreciation to all of our shareholders for their continued support of our vision to establish Cleveland as one of the next new tin mining operations in Australia, and Elementos as a new force in the global tin industry.

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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**