

31 JANUARY 2013

QUARTERLY REPORT DECEMBER 2013

Highlights

- Commencement of a Cleveland tin-copper pre-feasibility to study the optimal project configuration, and capital and operating costs
- Significant tungsten Conceptual Exploration Target defined at the Cleveland project
- Chinalco Yunnan Copper completed an initial drilling program at the Millenium joint venture and reported very encouraging copper and cobalt results

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") activities this quarter have been principally focused on technical studies relating to the Cleveland tin and tungsten project in Tasmania.

CLEVELAND TIN PROJECT, TASMANIA

During the quarter, a number of studies were underway including the commencement of the Cleveland tin-copper Pre-Feasibility Study ("PFS") and the on-going environmental approval process for the Cleveland tailings project.

Pre-Feasibility Study

In November, the Company commenced a 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, and has proven mining and metallurgy through some 20 years of historical operations.

The PFS will also examine the feasibility 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.

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.

The results of the PFS are scheduled for the end of the second quarter 2014.

Tailings dam study

A fifteen-hole sonic drilling program was recently completed on the tailings dam for geotechnical, environmental, metallurgical and resource investigation, along with additional geotechnical and hydrogeology work on site. The data will be used for permitting purposes, resource definition and the pre-feasibility study.

Environmental permitting for Cleveland mine dewatering and tailings extraction

A submission to the Tasmanian Environmental Protection Agency with a Development Proposal and Environmental Management Plan in accordance to the guidelines issued in March 2012 is approaching completion. Tasmanian based pitt&sherry have been appointed principal environmental consultants to assist in the submission and associated work.

CLEVELAND TUNGSTEN, TASMANIA

During the quarter, the Company outlined a Conceptual Exploration Target for Foley's tungsten zone at the Cleveland project.

Independent consultants, MiningOne, have reported an Exploration Target for Foley's zone of between 72,000 and 120,000 tonnes of contained WO₃, below 850m RL. The Exploration Target, defined from 26 diamond drill holes totaling 6,796 metres, is tabulated below. The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Foley Zone Tungsten Exploration Target Below 850m RL		
Cut-off grade % WO ₃	0.2%	0.0%
Tonnes	24 Mt	60 Mt
Grade % WO ₃	0.3%	0.2%
Contained metal: tonnes of WO ₃	72,000	120,000
Contained metal: Million mtu of WO ₃	7.2	12.0

The Exploration Target is in addition to the previously reported Inferred Mineral Resource for Foley's zone above 850m RL which is more intensively drilled. The Inferred Mineral Resource above 850m RL, estimated independently by Mining One at a 0.2% WO₃ cut-off grade, was 3.89Mt @ 0.30% WO₃ for total contained metal of 13,000 tonnes WO₃.

Foley's tungsten zone represents an exciting new 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.

Previous Disclosure 2012 JORC Code - This information on the Cleveland tungsten project is extracted from the reported titled "Cleveland Project Tungsten Potential" created on 29 October 2013 and is available to view on the Elementos website (www.elementos.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changes. The Company confirms that the form and context in which the Competent Person's Findings are presented have not been materially modified from the original market announcement.

MILLENIUM, AUSTRALIA

During the quarter, Chinalco Yunnan Copper Resources completed an initial copper-gold drilling program at Millenium. Please see report titled "Completion of Initial Copper/Gold Drilling Program at Millenium – Large Mineral System Identified" created on 4 December 2013 and available at www.cycal.com.au.

SANTO DOMINGO, ARGENTINA

During the quarter, there were no exploration activities at Santo Domingo. A number of site visits were attended by Companies interested in forming a joint venture to explore and develop the project. The negotiations are on-going.

MANANTIALES, ARGENTINA

During the quarter, there were no exploration activities at Manantiales.

TAMAYA, CHILE

During the quarter, there were no exploration activities at Tamaya. The Company is currently assessing all the historical exploration data, including more than 5,000 metres of drilling data, to assess the next steps for the project.

CASH RESOURCES

At the end of the period, the Company had cash resources of \$1 million. During the quarter, the Company raised \$1.379 million through a number of private placements to sophisticated investors. An additional private placement of \$0.15 million was received in advance of obtaining shareholder approval at an Extraordinary General Meeting, to be held on 20 February 2013.

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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

Elementos Ltd held the following interests in exploration tenements at the end of the quarter:

Tenement Name	Tenement Number	Area (Hectares)	Elementos Interest	Location of Tenements
Santo Domingo	1124-493-G-07	497	Nil - earning	Argentina
	1124-094-G-09	511	Nil - earning	Argentina
	1124-133-G-09	1458	Nil - earning	Argentina
	1124-454-G-09	500	Nil - earning	Argentina
	1124-643-G-10	1940	Nil - earning	Argentina
	1124-368-G-06	2158	Nil – earning	Argentina
	1124-385-G-06	4995	Nil – earning	Argentina
	1124-494-G-07	900	Nil – earning(i)	Argentina
	1124-495-G-07	1338	Nil – earning(i)	Argentina
	1124-496-G-07	900	Nil – earning(i)	Argentina
	1124-497-G-07	900	Nil – earning(i)	Argentina
	1124-498-G-07	900	Nil – earning(i)	Argentina
	1124-499-G-07	900	Nil – earning(i)	Argentina
	1124-500-G-07	900	Nil – earning(i)	Argentina
	1124-265-G-08	2616	Nil – earning(i)	Argentina
	1124-336-G-08	368	Nil – earning(i)	Argentina
	1124-633-G-10	1179	Nil – earning(i)	Argentina
	1124-022-G-11	1500	Nil – earning(i)	Argentina
	1124-131-O-09	4953	Nil – earning(i)	Argentina
	1124-132-O-09	9203	Nil – earning(i)	Argentina
Manantiales	520-120-M-97	3126	Nil - earning	Argentina
	520-121-M-97	3069	Nil - earning	Argentina
	520-122-M-97	3062	Nil - earning	Argentina
Millenium	ML 2512	4	Nil - earning	Queensland
	ML 2761	20	Nil - earning	Queensland
	ML 2762	16	Nil - earning	Queensland
	ML 7506	50	Nil - earning	Queensland
	ML 7507	45	Nil - earning	Queensland
	EPM 18402	5146	100%	Queensland
	EPM 18773	3859	100%	Queensland
	EPM 18793	2251	100%	Queensland
	EPM 18982	4184	100%	Queensland
	EPM 19014	6111	100%	Queensland
	EPM 19036	3216	100%	Queensland
Selwyn South	EPM 19371	3860	Nil – earning	Queensland
	EPM 19426	643	Nil – earning(i)	Queensland
Cleveland	EL7/2006	1798	50%	Tasmania
	EL9/2006	4195	100%	Tasmania
	EL15/2011	3358	100%	Tasmania

(i) Tenements/Cateos in process of being granted/transferred

Tenement Name	Tenement Number	Area (Hectares)	Elementos Interest	Location of Tenements
Tamaya	Adrianita 1 a 35	175	Nil – earning	Chile
	Aurora 1 a 20	100	Nil – earning	Chile
	Camposanto 8 a 17	41	Nil – earning	Chile
	Cerrillos Primera	5	Nil – earning	Chile
	Chepillo 1 a 4	19	Nil – earning	Chile
	Guias Altas	4	Nil – earning	Chile
	La Borracho 1 a 3	15	Nil – earning	Chile
	La Lusitania 1 a 5	25	Nil – earning	Chile
	La Sol 1 a 4	13	Nil – earning	Chile
	Lecaros 1 a 120	600	Nil – earning	Chile
	Margarita 1 a 7	35	Nil – earning	Chile
	Olga 1 a 20	100	Nil – earning	Chile
	San Cristobal 1 a 30	150	Nil – earning	Chile
	Suerte 10-15, 25-30	50	Nil – earning	Chile
	Tacora 1 a 65	606	Nil – earning	Chile
	Tuhuimco 1 al 40	400	Nil – earning	Chile
	Talabre 1 al 25	250	Nil – earning	Chile
	Talcan 1 al 18	168	Nil – earning	Chile
	Talpuna 1 al 34	284	Nil – earning	Chile
	Tamarugo 1 al 44	409	Nil – earning	Chile
	Tamaya 1 a 120	600	Nil – earning	Chile
	Tanume 1 al 28	244	Nil – earning	Chile
	Tatio 1 al 19	176	Nil – earning	Chile
	Temo 1 al 2	9	Nil – earning	Chile
	Ticalhue 1 al 17	102	Nil – earning	Chile
	Tignamar 1 al 26	254	Nil – earning	Chile
	Tipay 1 al 14	125	Nil – earning	Chile
	Tocomar 1 al 20	200	Nil – earning	Chile
	Toconce 1 al 18	180	Nil – earning	Chile
	Tolas 1 al 14	140	Nil – earning	Chile
	Tolten 1 al 17	149	Nil – earning	Chile
	Torca 1 al 5	42	Nil – earning	Chile
	Cerrillos 1	300	Nil – earning	Chile
	Cerrillos 2	200	Nil – earning	Chile
	Cerrillos 3	100	Nil – earning	Chile
	Cerrillos 4	300	Nil – earning	Chile
	Cerrillos 5	300	Nil – earning	Chile
	Cerrillos 6	300	Nil – earning	Chile

During the quarter, the following tenements were acquired:

Tenement Name	Tenement Number	Area (Hectares)	Elementos Interest	Location of Tenements
Selwyn South	EPM 19371	3860	Nil – earning	Queensland
Cleveland	EL7/2006	1798	50%	Tasmania
Cleveland	EL9/2006	4195	100%	Tasmania
Cleveland	EL15/2011	3358	100%	Tasmania

There were no tenements disposed of during the quarter and no changes in the beneficial interests held by the company.