30 April 2015

March Quarterly Report

Highlights:

- Continued progress in the development of the Company's 100% owned, low capital cost mine project at Cleveland in North West Tasmania.
- Submission of a Development Proposal and Environmental Management Plan ("DPEMP") to the Environmental Protection Authority ("EPA") Tasmania
- Submission of a Mining Lease Application ("MLA") with Mineral Resources Tasmania ("MRT")
- Restatement of JORC Mineral Resources to define an open pit Mineral Resource
- Progression of Pre-Feasibility and Scoping Studies, including additional metallurgical testing and detailed engineering and design

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to report on activities during the March quarter.

The submission of the DPEMP and MLA were major milestones during the quarter. The Company remains on track to meet its primary objective of being the next Australian tin producer.

CLEVELAND PROJECT UPDATE

Significant progress was achieved on the development of the Cleveland Mine, including the advancement of the tailings reprocessing Pre-Feasibility and hardrock Scoping Studies, and the MLA and DPEMP submissions.

Feasibility and Scoping Studies

During the quarter, the Company appointed independent firm AMC Consultants to complete the Scoping Studies for the Cleveland Open Pit and Underground Projects. These studies will provide valuable information for understanding the synergies between the proposed Tailings, Open Pit and Underground Projects, and will assist in determining the optimal development pathway.

The Pre-Feasibility Study on the Tailings Retreatment Project was advanced at quarter's end, with further metallurgical testwork and engineering being undertaken prior to completion in the second quarter of 2015.

Resources and Tenements

During the quarter, the Company restated its tin and copper hard rock Mineral Resources, into open pit and underground Mineral Resources. This exercise was undertaken after a surface sampling program confirmed the known tin lodes corresponded to surface mineralisation (ASX Release "High-Grade Tin and Copper Mineralisation In Surface Sampling" 22 October 2014).

Elementos also consolidated two of the Company's 100% owned Tasmanian Exploration Licenses. This consolidation effectively halves the administration overhead required for tenure management.

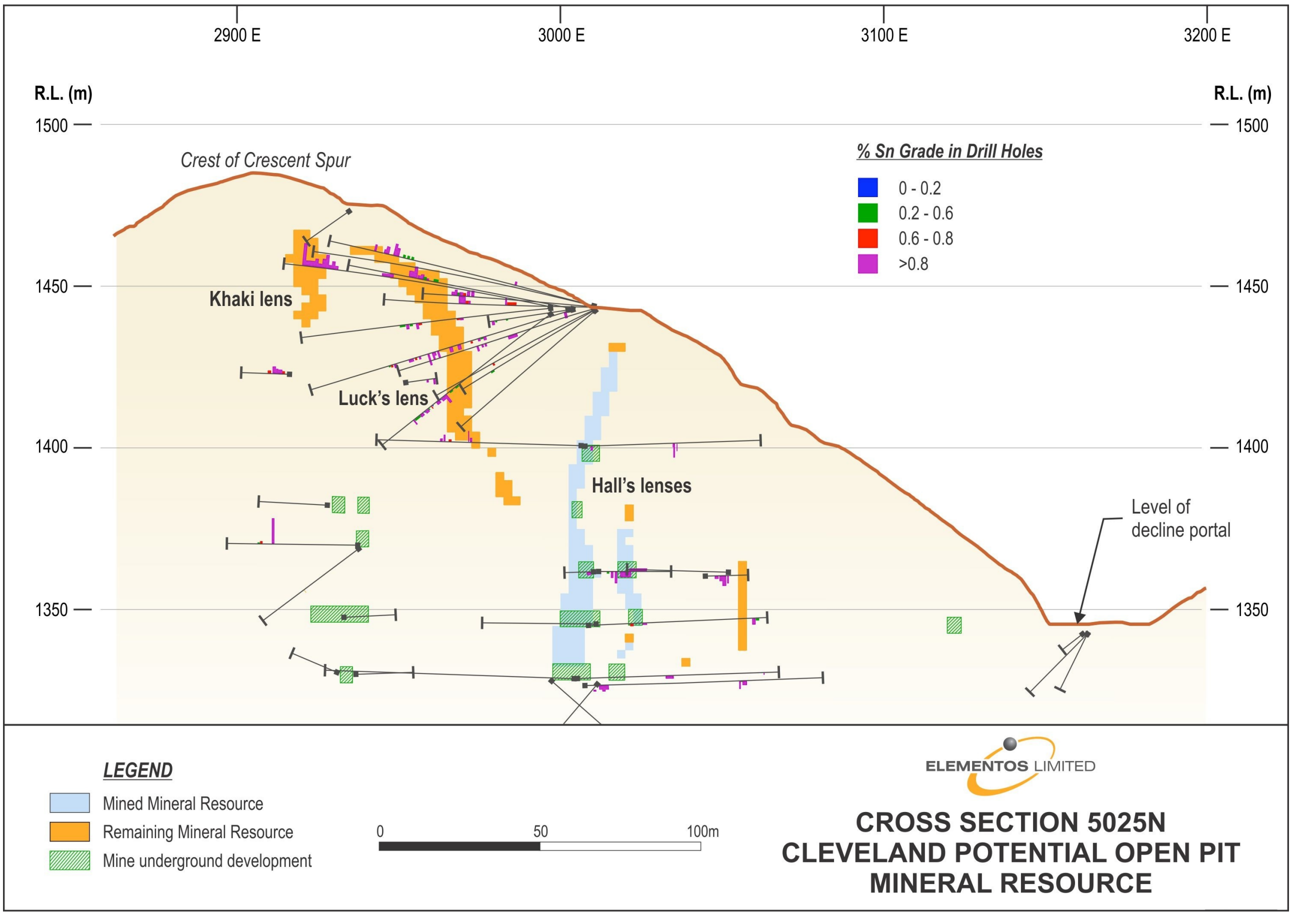

Figure 1: Cross Section 5025N Cleveland Open Pit Resource - cross section through the open pit Mineral Resource. Note the majority of the open pit Mineral Resource is above the main portal and therefore can potentially be developed without dewatering the mine.

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Approvals

During the quarter, the Company submitted its DPEMP to EPA Tasmania. The DPEMP lodgement follows more than three years of detailed mine planning and environmental impact studies. The biophysical, cultural and community impacts have been assessed and are summarised along with the commitments for the management of these impacts.

Due to the nature and scale of the development, EPA Tasmania and the Commonwealth Department of Environment assess the proposal, with final approval granted by EPA Tasmania.

The DPEMP submission is the final major step in the environmental approval process.

A MLA was also lodged during the quarter. The application was made over a land area of 533.5 hectares, encompassing the Cleveland Tailings Retreatment Project, the Cleveland Mine, and areas required for all necessary infrastructure to support future mining operations.

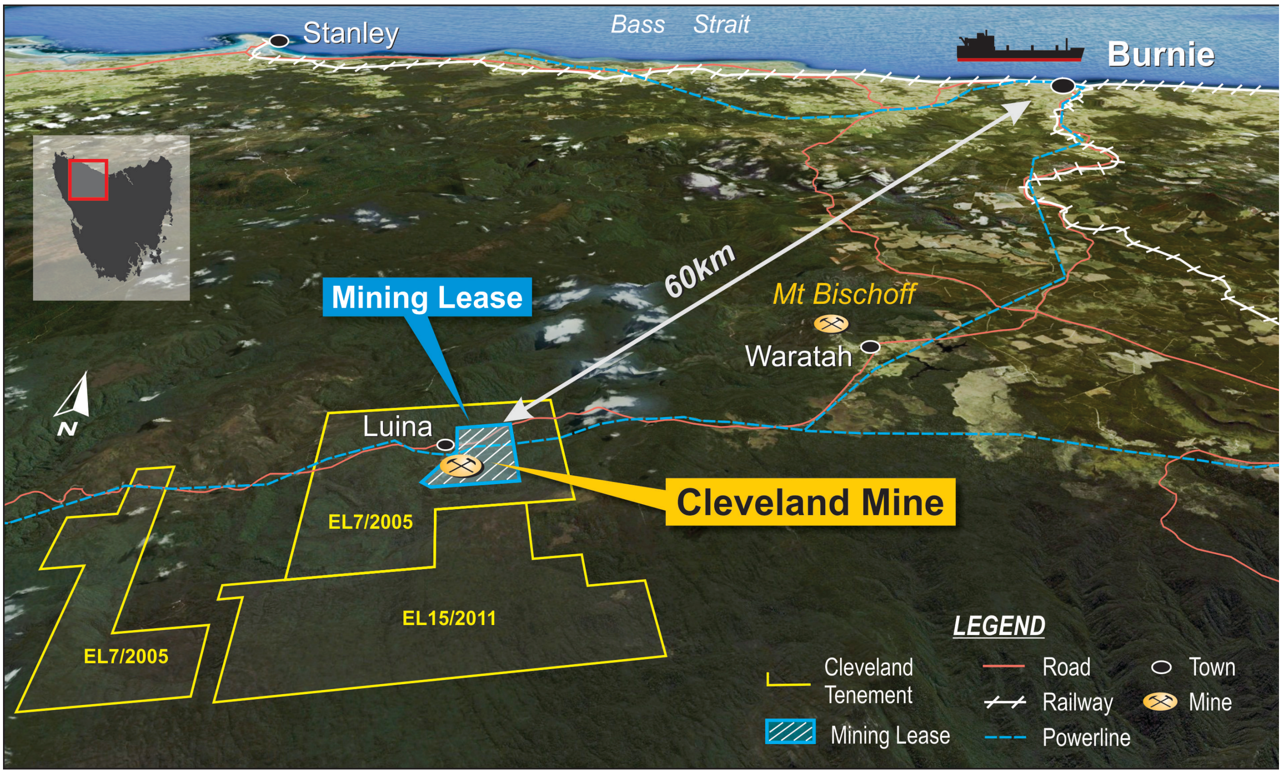

Figure 2: Regional Map showing Mining Lease, Exploration Licenses and Infrastructure

The DPEMP and MLA provide all necessary approvals required to commence reprocessing mine tailings and dewatering of the underground mine. It is expected environmental approvals and the granting of the ML may take up to 12 months. This approvals period has been allowed for in the Company's development program (see page 6).

CORPORATE

During the quarter, the Company continued to reduce expenditure including ceasing all operations in Chile and Argentina.

Expenditure and Cash

During the quarter, $276k was spent on project activities and $142k on corporate and overhead costs, and $310k was received from the ATO in relation to Research and Development activities completed in the 2011/12 and 2012/13 financial years.

At the end of the quarter, the Company had cash reserves of $1 million.

Further details of the Company's financial activities during the quarter are set out in the Appendix 5B cash flow report.

Capital structure

During the quarter, 1.7m new shares were issued pursuant to the Directors' Salary Sacrifice Scheme. At the end of the quarter, there were 767,479,642 fully paid ordinary shares on issue and 17.85 million unlisted options on issue.

EXPLORATION

Cleveland Mine, Tasmania, Australia

No exploration activities were undertaken at Cleveland during the quarter.

Selwyn Range Project, Queensland, Australia

There were no exploration activities at the Selwyn Range joint venture during the quarter.

Millenium Project, Queensland, Australia

There were no exploration activities at the Millenium joint venture during the quarter.

EXPLORATION TENEMENTS

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
Cleveland	EL7/2006	5993*	100%	Tasmania
	EL15/2011	3358	100%	Tasmania
Millenium	ML 2512	4	100%	Queensland
	ML 2761	20	100%	Queensland
	ML 2762	16	100%	Queensland
	ML 7506	50	100%	Queensland
	ML 7507	45	100%	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 Range	EPM 19371	3860	100%	Queensland
	EPM 19375	6400	100%	Queensland
	EPM 19426	643	100%	Queensland
Marayes Coal	EPM 1124-131-O-09	4953	100%	Argentina
	EPM 1124-132-O-09	9203	100%	Argentina

* EL9/2006 was consolidated into EL7/2005 during the quarter.

No tenements were disposed of during the quarter.

No new tenements were acquired during the quarter.

DEVELOPMENT PROGRAM

Pathway to Production	2014				2015				2016				2017				2018			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Final Acquisition of Cleveland		✓																		
Tailings Mineral Resource		✓	✓	✓																
Tailings Pre-Feasibility Study			✓	✓	✓															
Mining Lease Approval Process					✓															
Environmental Approval Process					✓															
Tailings Project Feasibility																				
Infrastructure Construction																				
Tin and Copper Production																				
Underground Mineral Resources		✓	✓	✓	✓															
Open Pit Mineral Resources					✓															
Open Pit Scoping Study					✓															
Underground Scoping Study					✓															
Open Pit and Underground Pre-Feasibility																				
Environmental Approval																				
Open Pit and Underground Feasibility																				
Open Pit and Underground Production																				

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Elementos is an Australian, ASX-listed metals company, focused on the development of Cleveland, an advanced stage tin-copper and tungsten project in Tasmania.

Please visit us at www.elementos.com.au

ABOUT THE CLEVELAND MINE

Cleveland was an underground tin and copper mine operated by Aberfoyle Limited between 1968 and 1986. During the life of the Cleveland operation, Aberfoyle mined and processed 5.7M tonnes of ore and produced approximately 24,000 tonnes of tin and 10,000 tonnes of copper in concentrate. Elementos has over 5.8M tonnes of Indicated Mineral Resources defined today.

The mineralisation in the Cleveland mine is principally of two styles: tin and copper bearing semi-massive sulphide lenses replacing limestone, similar to Renison, and a tungsten bearing porphyry quartz stock-work. Tin occurs as cassiterite and copper occurs principally as chalcopyrite. The tungsten occurs as wolframite. Mineral Resources have been estimated for tin and copper in the tin and copper bearing lenses, tungsten in the tungsten bearing stock-work, and tin and copper in tailings (see tables next page).

The Cleveland mine geology lent itself to low cost mining techniques. When in operation, Cleveland was considered 'state of the art', being one of the first tin mines to utilise trackless mining technologies.

Aberfoyle mined ore from open-stopes between levels, which were 15 metres apart vertically. Ground conditions were such that stopes did not require filling, indicating excellent ground conditions.

Mine development extends to 400 metres below the surface with the underground decline and drives still in place. This provides low cost access for the Company to the existing tin, copper and tungsten mineralisation.

Historical mining at Cleveland produced a tailings legacy that Elementos proposes to reprocess as part of its strategy for the project. The tailings are stored above ground on-site in two tailings dams. The tailings contain a substantial quantity of recoverable tin and copper due in part to operational inefficiencies and technical limitations of tin processing whilst the mine was in operation.

The Cleveland tin and copper deposit is open at depth and along strike. The tungsten-mineralised stock-work has only been estimated down to 850m RL, providing considerable scope to increase the tungsten Mineral Resource below this level (ASX Release 29 October 2013 "Cleveland Project Tungsten Potential").

Elementos plans to commence production through the reprocessing of the tailings Mineral Resource in order to provide early cash flow for the further development of the open pit and underground tin, copper and tungsten Mineral Resources.

Multi Commodity Asset	✓	***Power, Water & Communications***	✓
Near Term Production Targeted	✓	***Experienced Management***	✓
Approvals Submitted	✓	***Established Port & Market Access***	✓
Government & Stakeholder Support	✓	***Resource & Exploration Upside***	✓
First World Mining Jurisdiction	✓	***Strategic Investors Engaged***	✓
Low Capital Intensity Project Pipeline	✓	***Fully Developed Modern Decline***	✓

ELEMENTOS LIMITED

Cleveland Mineral Resources

Released on the 17th of June 2014 "Cleveland Tailings Resource Upgrade"

Tailings Mineral Resources (at 0% Sn cut-off)[1]			
Category	**Tonnage**	**Tin Grade (% Sn)**	**Copper Grade (% Cu)**
Indicated	3,850,000	0.30	0.13
Total	**3,850,000**	**0.30**	**0.13**

Released on the 5th of March 2015 "Cleveland Open Pit - High-Grade Mineral Resource Defined"

Open Pit Tin and Copper Mineral Resources (at 0.35% Sn cut-off)[2]			
Category	**Tonnage**	**Tin Grade (% Sn)**	**Copper Grade (% Cu)**
Indicated	828,000	0.81	0.27
Inferred	14,000	0.99	0.34
Underground Tin and Copper Mineral Resources (at 0.35% Sn cut-off)			
Indicated	4,174,000	0.67	0.28
Inferred	2,428,000	0.56	0.19
Total Tin and Copper Mineral Resources (at 0.35% Sn cut-off)			
Indicated	5,002,000	0.69	0.28
Inferred	2,442,000	0.56	0.19
Total	**7,444,000**	**0.65**	**0.25**

Released on the 18th of April 2013 "Cleveland Tin, Copper and Tungsten JORC Resources"

Tungsten Mineral Resources (at 0.20% WO_3 cut-off)[3]		
Category	**Tonnage**	**Tungsten Grade (% WO_3)**
Inferred	3,980,000	0.30
Total	**3,980,000**	**0.30**

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mick McKeown of Mining One Consultants Pty Ltd, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy. Mick McKeown is a full-time employee of Mining One Consultants Pty Ltd, a mining consultancy, which has been paid at usual commercial rates for the work, which has been completed for the Company. Mick McKeown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' Mick McKeown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

MINERAL RESOURCES AND REPORTING

Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. Economic, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues may materially affect the estimate of Mineral Resources.

[1] Reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') 2012 Edition.
[1] Reported in accordance with the JORC Code 2012 Edition.
[1] Reported in accordance with the JORC Code 2004 Edition.