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GEOPHYSICS DELINEATES NEW TARGETS AT MANANTIALES

Highlights

- New 2 kilometre long target, Manantial Este, identified
- The interpreted strike length of the Manantial vein system extended to 1.8 kilometres
- Further geophysical survey work in progress to test the vertical extension of the main anomalies

Elementos Limited (ASX: ELT) (“Elementos” or the “Company”) is pleased to report preliminary results of the recent Induced Polarisation (“IP”) geophysical survey at the Manantial and Julieta Norte prospects in the Manantiales Project, Argentina.

The successful program confirms the use of IP geophysics as a tool for supporting on-going exploration activities at Manantiales. The program has demonstrated that resistivity anomalies¹ are coincident with quartz veins at Manantial and Julieta Norte, and has reinforced the use of this geophysical technique for the identification of potential new vein systems - see Figure 1.

A significant new target, Manantial Este, was identified by a two kilometre long, north-south, highly-resistive anomaly, similar to that of the Manantial vein, which outcrops one kilometre to the west. Subsequent mapping encountered outcrops of discrete quartz veining on surface within predominantly talus cover. Initial rock chip sampling of these veins returned anomalous values between 0.5 and 2.4 g/t gold. Drilling is planned to test the system at depth.

In the Manantial prospect, geophysics has confirmed a resistive anomaly over 1.8 kilometres long, significantly extending the interpreted strike length. Resistivity anomalies at Manantial Norte and Julieta Norte are consistent with the outcropping quartz veins and have also highlighted potential extensions of these structures along strike in areas covered by talus.

Over 40 line kilometres of gradient array resistivity survey around the Manantial, Manantial Norte and Julieta Norte prospects has now been completed. The aim of the survey has been to locate and develop potential targets on veins with limited or no outcrop.

¹ Resistivity is a measure of the conductivity of the rocks when electrical current is passed through the earth's sub-surface. Warm colours (red) indicate areas of low resistivity and cool colours (white to yellow) indicate high resistivity. At Manantiales, the areas of quartz veining or silicified rocks or structures are located within high resistivity anomalies.

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Geophysics to test depth potential of veins

Pole-dipole IP sections are in progress over selected areas of Manantial, Manantial Este and Manantial Norte prospects in order to test vertical extensions of the main resistivity anomalies. Supported by detailed mapping and sampling, the aim is to generate additional targets for drilling in the current program.

Santo Domingo geophysics

The geophysics contractor will mobilise to Santo Domingo in late June to complete the IP and ground-magnetometry geophysics.

At the Yvette prospect, the aim of the survey is to identify depth and strike extensions of the approximately 3.5 kilometres of known gold and silver-polymetallic veins. The Yvette veins are generally narrow or discretely outcropping veins on the surface and the geophysics will test the potential to identify larger and blind veins at depth. This will be followed by a geophysics program for the Divisoria porphyry prospect.

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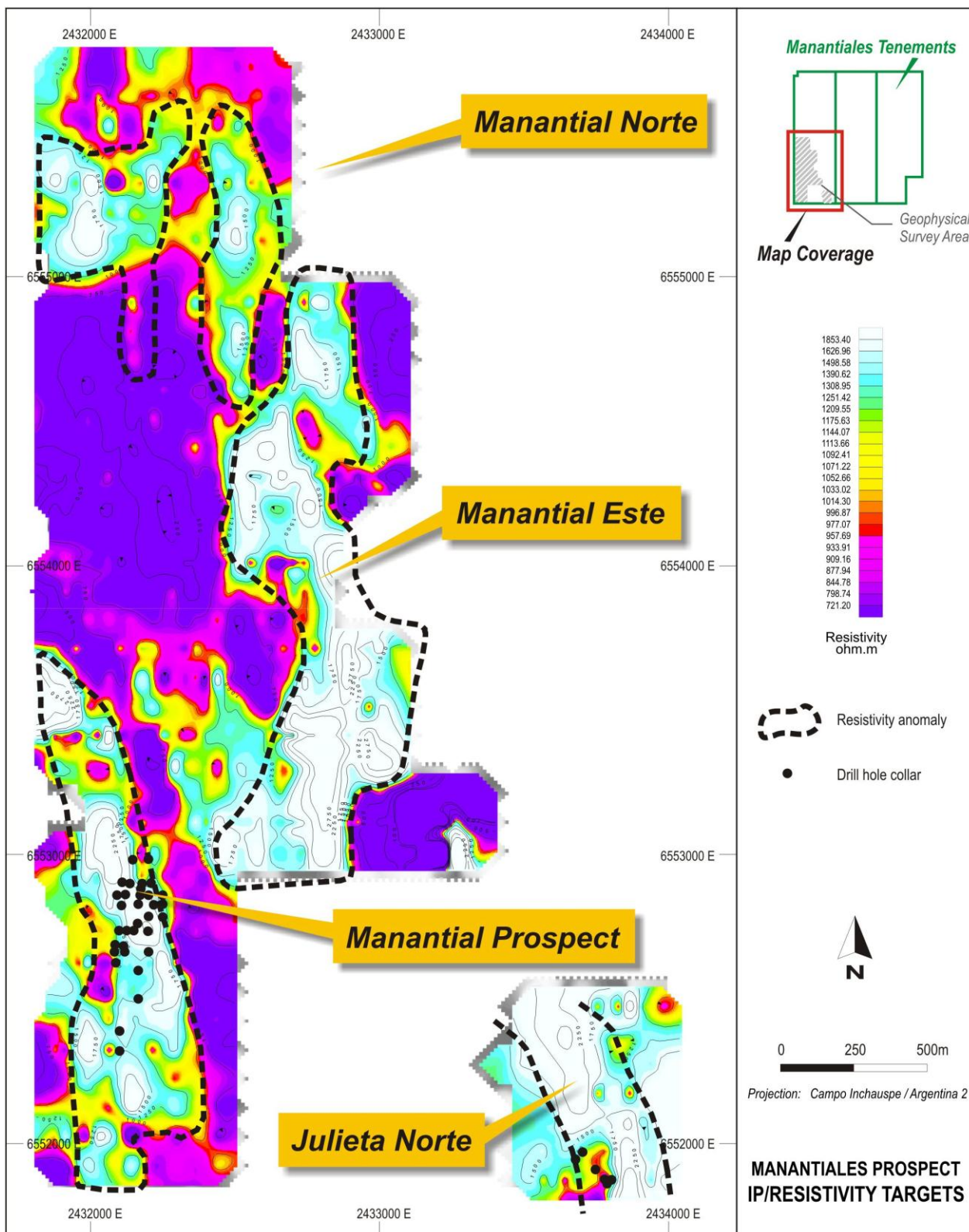
Elementos is an Australian, ASX-listed, exploration company, with a number of projects in Argentina and Australia, which offer an attractive investment environment. The properties are all in mineral rich, highly prospective provinces, with developed infrastructure nearby.

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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 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.

Figure 1: Resistivity Map of the Manantial – Julieta Norte sector at Manantiales



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