

4 May 2016

ELEMENTOS FOCUSED ON TIN MINE DEVELOPMENT

Tin developer, **Elementos Limited (ASX: ELT)** ("**Elementos**" or the "**Company**") announces the dissolution of its joint venture with Chinalco Yunnan Copper Resources Ltd (ASX:CYU) and the subsequent sale of its Millennium Mining Leases to Hammer Metals Limited (ASX:HMX).

The 5 Mining Leases, ML's 2512, 2761, 2762, 7506 and 7507 are situated on the northern projection of the Pilgrim Fault, near Cloncurry in the Mount Isa region.

Hammer will pay \$57,950 (including the replacement of an environmental bond) to Elementos Ltd (ASX:ELT) for the leases.

Elementos' CEO, Mr Tim McManus:

"Our primary focus remains on the staged development of our Cleveland tin, copper and tungsten project in northwest Tasmania and getting to positive cash flow in the shortest possible time.

We see the sale of Millennium as releasing value from non-core assets to assist us in achieving our goals."

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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

COMPANY AND PROJECT OVERVIEW

Elementos Ltd is a public company listed on the Australian Stock Exchange (ASX:ELT). It owns 100% of the Cleveland tin-copper-tungsten mine (the “Cleveland Project”) located in north-west Tasmania, Australia. Elementos is developing the Cleveland Project through a staged low-capital development strategy:



- ❖ **STAGE 1: TAILINGS PROJECT (TIN-COPPER)**
- ❖ **STAGE 2: OPEN PIT PROJECT (TIN-COPPER)**
- ❖ **STAGE 3: UNDERGROUND PROJECT (TIN-COPPER-TUNGSTEN)**

The staged development strategy minimises upfront capital, funds future stages from established cash flows, and maximises the benefits of capital expenditures from earlier stages.

The Cleveland Mine, situated at Luina, approximately 60 km from the port of Burnie, has well-developed infrastructure and a strong regional mining culture. The site is linked to the port of Burnie and other major population centres on the north-west coast of Tasmania by sealed all-weather roads. Accessible power runs through the Cleveland mine site, and there is abundant water available for use.

Historically, Cleveland was an underground tin and copper mine operated by Aberfoyle Limited between 1968 and 1986. During the life of the Cleveland operations, Aberfoyle mined and treated 5.7 million tonnes of ore, producing approximately 24,000 tonnes of tin and 10,000 tonnes of copper in concentrate. Today, Elementos has defined a larger resource base than Aberfoyle mined over the 18 years.

CLEVELAND MINE – LONG SECTION



Recent announcements of completed Technical Studies by Elementos confirm a technically achievable and commercially viable redevelopment project at current spot prices. The 3-staged strategy provides an Integrated Mine Plan, with a mine life of >15 years, which utilises only 53% of current JORC Mineral Resources. With additional resource available, and substantial exploration upside, the project provides the Company a long-life asset (>20yrs), in a low risk jurisdiction. Cleveland is a company-defining asset, which will position the Company to acquire advanced projects as the mining cycle enters an upward trend.

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Elementos undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

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MINERAL RESOURCES AND ORE RESERVES

Tailings Mineral Resource (at 0% Sn cut-off) ¹

Category	Tonnage	Sn Grade	Cu Grade
Indicated	3.8 Mt	0.30%	0.13%

Table subject to rounding errors; Sn = tin, Cu = copper

Tailings Ore Reserve (at 0% Sn cut-off) ²

Category	Tonnage	Sn Grade	Cu Grade	Contained Sn	Contained Cu
Probable	3.7 Mt	0.29%	0.13%	11 Kt	5 Kt

Table subject to rounding errors; Sn = tin, Cu = copper

Open Pit Tin-Copper Mineral Resource (at 0.35% Sn cut-off) ³

Category	Tonnage	Sn Grade	Cu Grade
Indicated	0.8 Mt	0.81%	0.27
Inferred	0.01 Mt	0.99%	0.34

Table subject to rounding errors; Sn = tin, Cu = copper

Underground Tin-Copper Mineral Resource (at 0.35% Sn cut-off) ⁴

Category	Tonnage	Sn Grade	Cu Grade
Indicated	4.2 Mt	0.67%	0.28%
Inferred	2.4 Mt	0.56%	0.19%

Table subject to rounding errors; Sn = tin, Cu = copper

Underground Tungsten Mineral Resource (at 0.20% WO₃ cut-off) ⁵

Category	Tonnage	WO ₃ Grade
Inferred	4 Mt	0.30%

Table subject to rounding errors; WO₃ = tungsten oxide

Mineral Resources and Ore Reserves

Elementos confirms that Mineral Resource and Ore Reserve estimates used in this document were estimated, reported and reviewed in accordance with the guidelines of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 edition.

Elementos confirms that it is not aware of any new information or data that materially affects the Mineral Resource or Ore Reserve information included in the "Cleveland Tailings Resource Upgrade" announced to the ASX on 17 June 2014, or the "Cleveland Open Pit - High-Grade Mineral Resource Defined" announced on 3 March 2015 and the "Cleveland Tailings Ore Reserve" released on the 3 August 2015. The Company also confirms that all material assumptions and technical parameters underpinning the estimates in the Cleveland Mineral Resources and Reserves continue to apply and have not materially changed. Elementos also confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the date of announcement.

¹ Announced per the JORC Code 2012 on 17 June 2014 "Cleveland Tailings Resource Upgrade"

² Announced per the JORC Code 2012 on 3 August 2015 "Cleveland Tailings Ore Reserve"

³ Announced per the JORC Code 2012 on 3 March 2015 "Cleveland Open Pit - High-Grade Mineral Resource Defined"

⁴ Announced per the JORC Code 2012 on 3 March 2015 "Cleveland Open Pit - High-Grade Mineral Resource Defined"

⁵ This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.