

29 December 2010

PLACEMENT TO STRATEGIC INVESTORS AND RIGHTS ISSUE TO FAST-TRACK THE COMPANY'S 2011 EXPLORATION AND ACQUISITION PROGRAM

Highlights

- Private placement to cornerstone strategic investors to raise \$3.6 million at 26 cents.
- Existing shareholders will have the opportunity to subscribe for new shares at the same price via a 1:4.48 non-renounceable rights issue, raising up to \$3.6 million.
- The new funding will allow acceleration of the Company's planned 2011 exploration programs and the capacity to pursue new growth opportunities.

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce a capital raising and proposed rights issue to fast-track an aggressive exploration and acquisition program.

The capital raising initiative incorporates:

- A 15% private placement of 8.1 million shares in the Company to Andes Investors LLC;
- An additional private placement of 5.8 million shares to sophisticated investors Belmont Park Investments Pty Ltd and Panorama Ridge Pty Ltd, subject to approval by shareholders at a meeting to be called early in the new year; and
- A proposed pro-rata rights issue to shareholders on the register as at 31 January 2011 on a 1:4.48 basis.

The placement and rights issue will be priced at \$0.26 per share, equal to the 14-day volume weighted average price ("VWAP") when the transaction was negotiated and approved by the board. No brokerage or investment advisor fees are payable in connection with the transactions.

Andes Investors LLC ("Andes Investors"), a Texas based investment company associated with James D. Calaway, has subscribed for 8.1 million shares. Calaway and his family are well known and respected members of the Houston business and civic community, and have developed several successful companies in the resource sector. Mr. Calaway is best known in Australia for his role as the active Chairman of the Board of Orocobre Limited. Mr Calaway will be offered a seat on the board of Elementos.



The additional 5.8 million shares will be subscribed for by entities associated with John Rawlins and Ian McCauley and will be subject to the approval of shareholders at a general meeting scheduled in mid February 2011. Mr Rawlins and Mr Cauley, through the private equity firm RMM Capital, are resource investment specialists who have large supporting stakes in several listed and unlisted resource companies operating around the world. Both men were founding shareholders of Felix Resources Ltd and have been associated with the Australian resources industry for over 30 years.

Chairman of Elementos, A. Anthony McLellan, said, "I am very pleased to see the support of the Company from these experienced resources investors. One only has to look at the performance of Orocobre since James Callaway made his initial investment, when he also assumed the role of chairman, to appreciate the influence he has had on the enormous success of that company."

Elementos' managing director, Corey Nolan, said, "We look forward to vindicating the support of the new shareholders with a successful exploration program now underway. The additional capital will also enable us to bid on acquisition opportunities as they become available."

Andes Investors Managing Member, James Calaway, said, "I believe I have the capacity to make a significant contribution to the success of Elementos and believe the company has performed strongly in its maiden year of operations. I am enthusiastic about the quality of the team, its focused strategy, and the early results from its exploration projects."

Rights Issue Timetable

The indicative timetable for the rights issue for shareholders is tabulated below.

Event	Date
Rights issue prospectus lodged with ASIC and ASX	17 January 2011
Notice with information on Rights Issue sent to Shareholders	21 January 2011
Shares commence trading on ASX on an ex rights basis	24 January 2011
Record date for participation in the rights issue	31 January 2011
Prospectus dispatched to Shareholders	4 February 2011
Closing time and date for acceptance and payment in full under rights issue (5.00pm EST)	18 February 2011
Shares quoted on a deferred settlement basis	21 February 2011 (shortfall notice)
Allotment of New Shares and Despatch of Shareholder Statements for New Shares issued under Offer	23 February 2011
Normal Trading commences for New Shares on ASX	24 February 2011

2011 Exploration Program

The new funding will allow the Company to accelerate its exploration strategy for 2011. The primary focus will be drilling multiple targets at Manantiales, Santo Domingo (the Yvette silver-veins and possibly the porphyry system) and at Millenium.

Manantiales, Argentina

Following completion of the inaugural drilling program, the Company plans further drilling and extension of the regional exploration program currently underway.

The proposed 3,000 metre second drill program in early 2011 will be aimed at:

- Drill testing extensions of the high-grade mineralisation along strike and to depth at the Manantial vein;
- Second pass drilling to check extensions along strike and to test deeper levels of the Julieta Norte vein; and,
- Exploratory drilling of the untested La Puerta group of vein systems where the Company recently announced the discovery of a new vein system at La Puerta Este.

Energold has committed to making a rig available from late February 2011.

Project-scale exploration is also continuing with the aim of identifying new targets for drilling. The initial focus is to sample potential extensions of the La Puerta group of vein systems.

Santo Domingo, Argentina

Recent discoveries include:

- The Yvette silver-rich vein system identified during reconnaissance exploration east of the El Arriero porphyry prospect; and,
- A new mineralised porphyry system at the Divisoria prospect. Divisoria is a gold-copper porphyry system with a footprint of 300 x 200 metres, open in all directions.

The Santo Domingo district has potential to be a significant centre of mineralisation.

The focus of on-going exploration at each prospect includes:

- Yvette - expanding the size of the known mineralised area through further sampling, mapping, and geophysics. Subject to the success of the on-going field program, geophysics and a drilling program will be planned for the second half of calendar 2011;
- Divisoria - expanding the Au-Cu disseminated mineralisation zone which is open in all directions, through further sampling in untested areas, and a prospect-wide geophysics program. The aim is to prepare drill targets within the disseminated mineralisation as well as the vein and breccia targets, which offer the potential for near-surface, high-grade mineralisation;
- Alunita and El Arriero - follow-up fieldwork and drill target generation; and
- District-scale exploration across the 250 square kilometre tenement package, which remains largely unexplored.



Millenium, Australia

Exploration license applications have been made for 215 square kilometres of tenements to the north-east of the existing Millenium Mining Licences. The Company now has a substantial package of EPM's in the area covering the interpreted extensions of the north-easterly trending cobalt-copper mineralised structure at Millenium. An exploration program is being prepared and will include a major field program of soil sampling with a view to building a target for drilling in March/April 2010.

Acquisitions

The Company continues to explore acquisitions in the Andes region, and is currently reviewing a number of opportunities in Argentina, Chile and elsewhere.

Currently the company is considering both green-field and brown-field assets, including properties with defined resources.

For more information, please contact:

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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.

Please visit us at www.elementos.com.au