

17 SEPTEMBER 2013

MILLENIUM PROJECT JOINT VENTURE AGREEMENT

Highlights

- Establishment of a joint venture with Chinalco Yunnan Copper Resources covering the Millenium project
- Amended Option-to-Purchase contract agreed with Forte Energy on the Millenium Mining Licences
- Strategy consistent with objective of rationalising the asset portfolio and focusing on the Cleveland project at completion of the Rockwell merger

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce it has signed a term sheet for an earn-in joint venture with Chinalco Yunnan Copper Resources Ltd ("CYU") to explore for copper, cobalt and gold at Millenium, as well as agreeing amended terms with Forte Energy NL ("Forte Energy") on its Millenium Option-to-Purchase contract.

Millenium, situated near Cloncurry in the world-class Mt Isa Inlier, includes the following tenements:

- Mining Leases ("MLs") totalling 134 hectares, subject to an Option-to-Purchase agreement with Forte Energy NL; and
- Exploration Permits ("EPMs") totalling 254 square kilometres and 74 square kilometres of EPMs subject to a contested application.

Millenium Project Joint Venture

The Company has signed a term sheet for an earn-in joint venture with CYU at the Millenium project, on the following terms:

- CYU will make a payment of a \$100,000 cash option fee for the exclusive right to explore the properties subject to the joint venture;
- CYU will have the right to earn 51% of the project by investing \$1.2 million over 3 years; and
- CYU may increase its interest by a further 19% of the project, by investing an additional \$1.3 million over a further 2 years.

Once CYU earns its 70% interest, each party can either contribute or dilute according to an agreed formula and work program. If either party achieves a 90% interest in the project, the 10% interest immediately converts to a 1% NSR. The agreement is subject to finalisation of a full joint venture agreement and the transfer of the Millenium Mining Licences to Elementos.

Forte Energy Option Agreement

The Company has secured an amended Option-to-Purchase contract terms with Forte Energy, allowing the exercise of its option to acquire the Millenium ML's for a \$100,000 cash payment.

Millenium Project Overview

Millenium is situated near Cloncurry in the world-class Mt Isa Inlier, a significant gold and base metal producing region, host to major copper/gold and lead/silver/zinc deposits. The district has established mining, processing and transportation infrastructure in close proximity to the regional centres of Mt Isa and Cloncurry.

The Millenium project is in close proximity to major deposits including:¹

- Rocklands - copper-cobalt project 15 kilometres to the south-east;
- Roseby - copper-cobalt project 10 kilometres to the north-west;
- Dugald River - base metals project 10 kilometres to the north; and
- Mary Kathleen - 30 kilometres north-west of the historical uranium mine.

Little modern exploration has been undertaken on the Millenium EPMs. However, extensive exploration has been undertaken on the five MLs, including 13 drill holes which outlined a large zone of cobalt and copper mineralisation.

The Millenium MLs host a number of historical copper mine workings and prospects that were operated around the turn of the century. The Federal mine exploited copper in bornite and chalcopyrite down to 135 metres, producing some 10,000 tonnes of ore at exceptionally high grade (25% copper – non-JORC). Other workings along a shear “lode” structure were less successful for copper mining, but the lodes were noted to be rich in cobalt.

Between 1964 and 1991 several companies explored the district with trenching and drilling programs targeting both copper and cobalt mineralisation, including Carpentaria Exploration Company Pty Ltd, Tasman Minerals NL, and Murchison United NL. Encouraging results were reported from drilling on the Millenium MLs, confirming the thickness of the cobalt mineralisation including a best intersection in drill hole FD02 (95.4 to 106.1 metres) 10.7 metres at 2,333 ppm cobalt and 2.02% copper².

Elementos completed a number of outcrop sampling programs during 2010/2011 to study the areas historically mined and drilled within the MLs. Copper, cobalt, gold and other metallic anomalies were identified along the trend of the Corella structure, including the zone of historic drilling. Subsequently, a soil survey extended the evident footprint of the mineralisation 1,500 metres north to the limit of the MLs, and remains open, apparently extending onto the newly granted EPMs. The survey extended the potential mineralisation over an area of limited exposure and no historical drilling, reinforcing the potential for further mineralisation over the newly granted EPMs.

Additionally, rare earth elements and Yttrium have been identified in check-assays of rock-chip surface samples announced by the Company in 2010. Total Rare Earths anomalies of up to 0.17% were identified in multiple samples from oxidised surface outcrops and shallow historic trenching. The average anomaly over 36 samples of varied composition and distribution was >400ppm, and is considered a significant surface anomaly that warrants further testing.

¹ The fact that these projects are near to Elementos' projects does not mean that Elementos' projects will have the same nature, value or success as those projects or that there is an economic resource

² Based on non-JORC compliant historic published reports.



The Company is pleased to have formed a joint venture with CYU, established explorers and operators in the Mt Isa-Cloncurry district. CYU's recent strategic focus is the drilling of the Elaine and Blue Caesar projects, approximately 30 kilometres to the west of Millenium. The establishment of the joint venture is consistent with the Company's asset rationalisation strategy and focusing on the Cleveland tin project on completion of the merger with Rockwell Minerals Ltd ("Rockwell").

Profile of Chinalco Yunnan Copper Resources Ltd

CYU is a resources exploration and development company with project interests in the Mt Isa region of north Queensland, Chile and northern Laos.

CYU's largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd ("CYC"), owning 43% of the total issued shares in CYU. CYC is a wholly-owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, which is the third largest producer of smelted copper product in China. In turn, Yunnan Copper Group is a subsidiary of Aluminium Corporation of China (Chinalco) which is the largest producer of aluminium product in China and the second largest world-wide.

CYU has offices in Brisbane, Mount Isa and in Santiago. The Company is listed on the ASX under the symbol "CYU".

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Elementos is an Australian, ASX-listed, exploration company, with a number of projects in Chile, Argentina and Australia, which offer an attractive investment environment. The properties are all in mineral rich, highly prospective provinces, with developed infrastructure nearby. The Company recently entered into an agreement, which is subject to shareholder approval, to acquire Rockwell Minerals Limited, the owner of the Cleveland tin mine in Tasmania.

Please visit us at www.elementos.com.au

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 its subsidiaries, 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.