

ASX ANNOUNCEMENT

25 OCTOBER 2016

PLACEMENT

Elementos Limited (ASX: ELT) ("Elementos" or the "Company") is pleased to announce that it has completed a private placement to sophisticated investors raising \$450,000 before costs (**Placement**).

Under the terms of the Placement, a total of 81,818,182 of new shares will be issued at 0.55 cents per share in the Company.

Director participation in the Placement (of \$96,165) will require shareholder approval that will be sought at the Company's upcoming AGM.

The balance of the Placement shares (64,333,636 shares) will be issued on 26 October 2016 and will be issued under the Company's existing ASX placement capacity. Holding statements will be dispatched shortly thereafter.

The Company plans to use the funds raised from the Private Placement as follows:

- undertake line cutting, magnetic survey and drilling on the (Cleveland) Open Pit Resource Development;
- undertake further metallurgical test work aimed at increasing recoveries from the proposed mining and processing operations at Cleveland;
- provide working capital; and
- for corporate costs and the costs of the Private Placement.

For more information, please contact:

Duncan Cornish

Company Secretary

Phone: +61 7 3221 7770

Email: admin@elementos.com

Please visit us at: www.elementos.com.au

MINERAL RESOURCES AND ORE RESERVES

Tailings Ore Reserve (at 0% Sn cut-off)					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Probable	3.7 Mt	0.29%	11,000t	0.13%	5,000t

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

Total Tin-Copper Mineral Resource (at 0.35% Sn cut-off)					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	5.00 Mt	0.69%	34,500t	0.28%	14,000t
Inferred	2.44 Mt	0.56%	13,700t	0.19%	4,600t

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

Open Pit Tin-Copper Mineral Resource (at 0.35% Sn cut-off)					
NOTE: this Open Pit Tin-Copper Mineral Resource is a sub-set of the Total Tin-Copper Mineral Resource noted above					
Category	Tonnage	Sn Grade	Contained Sn	Cu Grade	Contained Cu
Indicated	0.80 Mt	0.81%	6,500t	0.27%	2,300t
Inferred	0.01 Mt	0.99%	140t	0.34%	50t

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

Underground Tungsten Mineral Resource (at 0.20% WO ₃ cut-off) ¹		
Category	Tonnage	WO ₃ Grade
Inferred	4 Mt	0.30%

Table subject to rounding errors; WO₃ = tungsten oxide

¹ 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.

CAUTIONARY STATEMENTS

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.

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 following announcements:

- "Cleveland Tailings Ore Reserve" released on the 3 August 2015;
- "Cleveland JORC Resource Significantly Expanded" announced to the ASX on 5 March 2014; and
- "Cleveland Open Pit - High-Grade Mineral Resource Defined" announced on 3 March 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.