



Fully Underwritten Non-Renounceable Rights Issue

Highlights

- Fully underwritten 1 for 6 non-renounceable rights issue at 18 cents per share to raise \$9.5 million
- Underwritten by Patersons Securities and sub-underwriting significantly oversubscribed by institutional, sophisticated investors and major shareholders
- For every two (2) New Shares issued shareholders will receive three (3) New listed Options exercisable at 25 cents within 15 months of issue
- Chairman agreed to sub-underwrite additional \$150,000
- Proceeds to be used for a scoping study on the Dougou Carnallite Deposit¹, to explore the recently identified Yangala Sylvinite Prospect², and complete the ongoing phased implementation study on Kola in preparation for a definitive feasibility study (DFS) and attracting a strategic partner.

Perth, Australia, 9 September 2014 – Elemental Minerals Ltd. (ASX: ELM) ('Elemental' or 'the Company') is pleased to announce a fully underwritten 1 for 6 non-renounceable rights issue at 18 cents per share, with 3 free attaching options (exercisable at 25 cents within 15 months from issue) for every 2 New Shares issued, to raise A\$9.47 million before costs. Net proceeds and existing cash reserves to be used for the following objectives:

- Advancing the Dougou Carnallite Deposit (Dougou) to scoping study level. The recently defined potash Mineral Resource is 1.29 billion tonnes grading 21.72% KCl³. Coupled with the grade and low insoluble content, the apparent continuity of grade and thickness and the gentle dip of the seams at Dougou, may provide key advantages for extraction by solution mining.
- Exploration at the Yangala Sylvinite Prospect which has potential to host high-grade sylvinite Hangingwall Seam. ED_01 drilled close to the edge of Yangala in 2012, intersected Hangingwall Seam of thickness 4.47 metres, grading 57.66% KCl.⁴
- Continue current studies to reduce the initial capital requirement for the Kola Project by introducing a phased implementation approach.
- Attract a strategic partner into the project with the financial resources to allow the financing and development of the project.

The offer will be made to eligible shareholders on the basis of 1 new share for every 6 shares held on the record date of 23 September 2014 at the issue price of A\$0.18 each, which represents a 16% discount to the 7 day volume weighted average price (VWAP) of A\$0.215.

Shareholders will also receive three (3) free attaching options with an exercise price of \$0.25 and exercisable within 15 months of issue for every two (2) new shares issued. Application will be made for both new shares and new options to be listed.

¹ Elemental announcement dated 9th July 2014

² Elemental announcement dated 9th July 2014

³ Elemental announcement dated 9th July 2014

⁴ Elemental announcement dated 9th July 2014

The Company is very pleased with the strong demand received from our long term existing shareholders in South Africa and Australia in supporting the company through their sub-underwriting commitments, reflecting the quality of the assets and opportunities.

Patersons Securities Limited acts as Lead Manager and the Underwriter.

The Directors of Elemental are pleased to offer eligible shareholders the opportunity to participate in the rights issue, which will see the Company well-funded to prepare the Kola Project for its planned DFS, to accelerate the development program for the Dougou Deposit, to explore the Yangala Prospect and continue its search for a strategic partner with the financial muscle to allow for the development of the project.

The rights issue will be made under a prospectus which will set out the details of the offer, including the record date and eligibility to participate. The prospectus will be lodged with ASIC in accordance with the timetable set out below, and will be available on both the ASX website (www.asx.com.au) and the Company's website www.elementalminerals.com.

Shareholders should consider the prospectus in deciding whether to acquire new securities under the offer, and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus if they wish to subscribe for new securities.

Lodgment date	12 September 2014
Ex Date – Shares trade ex-entitlement	19 September 2014
Record date to determine entitlement	23 September 2014
Prospectus with Entitlement and Acceptance Form dispatched	26 September 2014
Offer opens for receipt of acceptances	26 September 2014
Closing date for acceptances (Closing Date)	8 October 2014
Deferred settlement trading	9 October 2014
Issue of new securities	15 October 2014
Normal trading of new securities expected to commence	16 October 2014

These dates are indicative only. Subject to applicable laws and the Listing Rules, the Company reserves the right to extend the Closing Date by giving at least 3 business days' notice, or to withdraw the offer without prior notice. Any amendment to the timetable will be announced to the market through ASX.

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About Elemental Minerals

Elemental Minerals Limited (ASX: ELM) is an advanced mineral exploration and development company whose primary asset is the 97%-owned Sintoukola Potash Project in the Republic of Congo. ELM completed an advanced Pre-Feasibility Study on its Kola Project in September 2012 and was awarded a mining license and an environmental license in August 2013. The Sintoukola Project has the potential to be among the world's lowest-cost potash producers and its strategic location near the Congolese coast of Central West Africa offers a transport cost advantage to key Brazilian and Asian fertilizer markets. The Dougou Carnallite Deposit was defined in 2014 and may be a very attractive opportunity for solution mining. For more information, visit www.elementalminerals.com

Important notices

The Company is not aware of any new information or data that materially affects the information included in previous announcements of exploration results and estimates of mineral resources (referred to on page 1 of this announcement). All material assumptions and technical parameters underpinning the estimates referred to in these announcements continue to apply and have not materially changed.

This news release contains statements that are "forward-looking". Generally, the words "expect," "potential", "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, to differ materially from those expressed or implied in any of our forward-looking statements, which are not guarantees of future performance. Statements in this news release regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as resource estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

Competent Person

The information in this report that relates to the Dougou Carnallite Deposit and Yangala Sylvinite Prospect is based on information previously compiled ("Elemental Minerals announces maiden Mineral Resource for the Dougou Deposit, dated 9th of July, 2014) by the Company's Competent Person Mr. Andrew Pedley, which can be downloaded from the Company's website.

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