



## Elemental Announces Completion Of A\$ 4.98 Million Private Placement and Bankable Feasibility Study for the Kola Sylvinite Project and the Pre- Feasibility Study for the Dougou Carnallite Project to start Q3 2015

Perth, Australia, 10<sup>th</sup> July 2015 – Elemental Minerals Ltd. (ASX: ELM) ('Elemental' or 'the Company') is pleased to announce the successful completion of an A\$4.98 million private placement, and significant advances in the development of its potash projects in the Republic of Congo (RoC).

### Highlights

- Completion of a private placement of A\$4.98 million at AU\$0.20 per share from existing shareholders;
- Final preparations underway for the initiation of the Kola Bankable Feasibility Study (BFS) and the Dougou Pre-Feasibility Study (PFS);
- By progressing both projects, Kola remains the lead project but project optionality is created; and
- Advancing negotiations with potential strategic partners for near term investment and longer term MoP<sup>1</sup> off-take

Building on the excellent results of the Kola Deposit Phased Implementation Study<sup>2</sup> and the Dougou Scoping Study<sup>3</sup>, Elemental plans to kick-off both the Kola BFS and Dougou PFS in August 2015. It is anticipated that these studies will further demonstrate the ability of these projects to deliver lowest quartile operating costs and attractive investment returns, reflecting their shallow depth, high quality and favorable location on the RoC coast and in close proximity to the Project's natural market of Brazil.

Kola remains ELM's lead project. Dougou is less advanced but very compelling given its relatively low start-up capital requirement. By advancing both projects ELM creates strategic optionality and an emerging potash "province" which includes the Kola, Dougou and Yangala projects all lying within 20km of each other and with only 25% of the property explored to date.

The Company has completed its initial BFS/PFS consultancy selection process for both the Kola and Dougou projects respectively and is developing detailed proposals with the shortlisted companies. Both studies will incorporate further build-own-operate-maintain (BOOM) infrastructure partners, thereby reducing the project startup capital. The Company has received expressions of interest in this regard for the power supply, gas supply, marine facilities and transshipment, the overland conveyor belt, underground mining and the employee facilities. These will be further developed to commercial terms during the Kola BFS in conjunction with the selected EPCM company.

The Kola BFS is planned for completion in Q3 2016, with the start of construction foreseen in Q2 2017. The Dougou PFS and ESIA<sup>4</sup> are both scheduled to be completed in Q2 2016.

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<sup>1</sup> MoP: Muriate of Potash

<sup>2</sup> Announcement dated 23 October 2014: '...Results of the Kola Phased Implementation Update for the High grade Kola Sylvinite Project..'

<sup>3</sup> Announcement dated 17 February 2015: '...Results for the Dougou Potash Project Scoping Study'

<sup>4</sup> ESIA: Environmental and Social Impact Assessment

ELM is also in negotiations with globally significant companies, with interests in the fertilizer sector, pertaining to a sizable investment into ELM in the near term, and ultimate off-take of MoP once the project(s) are in production. It is anticipated that these negotiations will be successfully concluded by no later than Q4 2015.

Elemental's CEO John Sanders states: *"We are extremely pleased with the continued support expressed by shareholders through this successful private placement, which reflects their recognition of the exceptional quality of the projects. Our discussions with companies capable of major funding and MoP off-take are advancing, supported by the successful reduction of the initial capital requirement for the shallow and high grade Kola sylvinitic deposit, the company's flagship asset. There is increasing recognition of the high quality of our potash projects and the opportunity they present to achieve the lowest global potash production operating cost and it is looking increasingly likely that a 'strategic' investment and off-take agreement will be secured in the near future. This would provide a "runway" to production and the build-finance thereof. We are ready to start the Kola BFS, which is a significant step in taking this deposit to production. The Dougou Deposit is one-step back in the development time-line but forms an integral part of our planned production from this emerging potash province, and will be taken through PFS adding further value for shareholders."*

### About Elemental Minerals

Elemental Minerals Limited (ASX: ELM) is an advanced stage mineral exploration and development company whose primary asset is the 97%-owned Sintoukola Potash Permit in the Republic of Congo. ELM has three projects at varying development stages; all within the 1067 km<sup>2</sup> Sintoukola Permit.

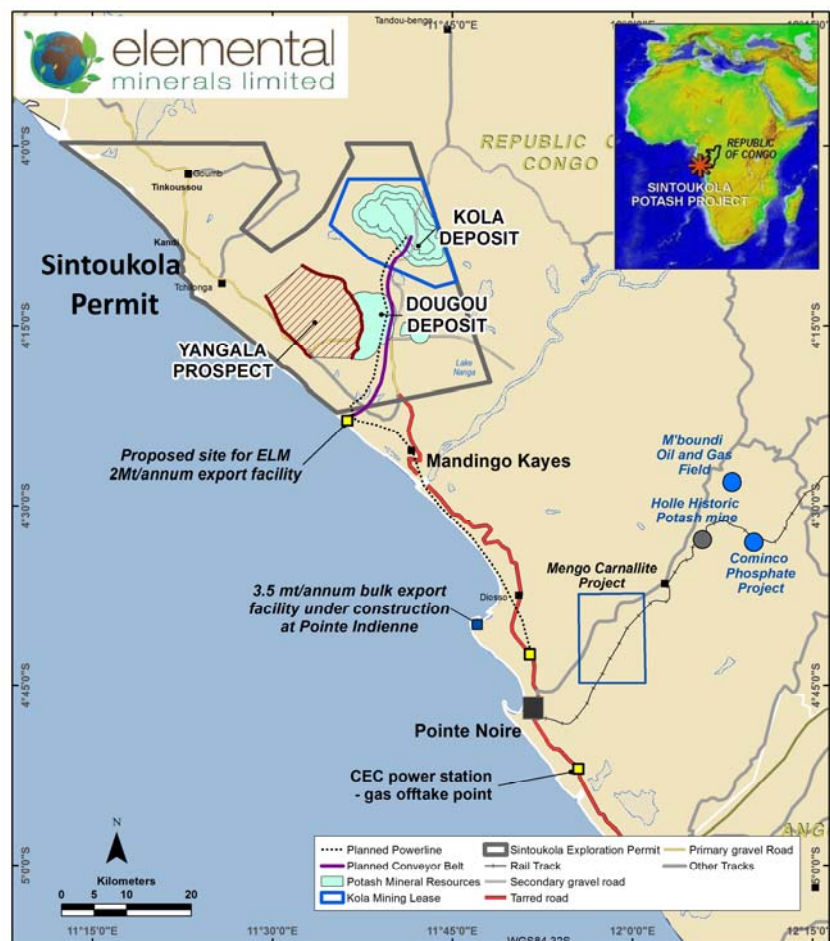


Figure 1: Location of the Dougou Project within the Sintoukola Permit and in relation to available infrastructure

Kola is a large sylvinitic deposit, for which a Pre-Feasibility Study (PFS) defined Proven and Probable Reserves of 152 Mt of sylvinitic ore with an average grade of 31.7% KCl to be mined by conventional underground methods.<sup>5</sup> A Mining License and ESIA approval for Kola were granted in August 2013. The PFS was updated by the Phased Implementation Study, which reduced the initial capital requirement for the project significantly while maintaining low operating costs.<sup>6</sup>

The Dougou Deposit is 15 km southwest of Kola and is a very large carnallite deposit with a Measured and Indicated Potash Mineral Resource<sup>7</sup> of 1.1 billion tonnes grading 20.6% KCl. A Scoping Study on the deposit has been completed and confirmed that a low capital, low operating cost, quick to production carnallite solution mine can be established at Dougou.

The Yangala sylvinitic Prospect is immediately west of Dougou. At Yangala the Company has drilled two boreholes, both intersecting a potash seam of over 4m grading between 57 and 60% KCl. An Exploration Target of 235 to 470 Mt grading 55 to 60 % KCl was announced on 27<sup>th</sup> January 2015.<sup>8</sup>

Elemental's RoC Projects have the potential to be among the world's lowest-cost potash producers and their location near the Congolese coast of Central West Africa offers a transport cost advantage to key Brazilian and Asian fertilizer markets. Elemental's management team has a record of bringing quality African mineral projects to production. For more information contact us or visit [www.elementalminerals.com](http://www.elementalminerals.com).

<sup>5</sup> NI 43-101 Technical Report, 17 September 2012 (SRK Consulting report available on Company website). <sup>6</sup> Announcement dated 23 October 2014: 'Elemental Minerals Announces Results of the Kola Phased Implementation Update for the High grade Kola Sylvinitic Project.'. <sup>7</sup> Announcement dated 9 February 2015: 'Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit'. <sup>8</sup> Announcement dated 27 January 2015: 'Elemental Minerals Announces an Exploration Target for the High Grade Sylvinitic Hangingwall Seam at the Yangala Prospect'.

## Forward-Looking Statements

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 Statement:

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, and the results of economic studies, is extracted from previous reports, as referred to in footnotes herein, and available to view on the Company's website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.'

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