

Fieldwork for the Kola Bankable Feasibility Study, Dougou Pre-Feasibility Study and ESIA start on schedule

Perth, Australia, 10 September 2015 – Elemental Minerals Ltd. (ASX: ELM) ('Elemental' or 'the Company') is pleased to announce that fieldwork for the Kola Bankable Feasibility Study (BFS) and Dougou Pre-Feasibility Study (PFS) has commenced; a significant milestone in the development of these high grade and large potash deposits within the Company's Sintoukola Permit in the Republic of Congo (RoC).

Highlights

- Start of fieldwork puts the studies on track for completion; by end Q2 2016 (Dougou) and Q3 2016 (Kola) respectively. Both studies are being lead by Hatch Goba, a global leader in Potash mine design and construction.
- Study outcomes are anticipated to reflect the exceptional combination of deposit quality, location and low cost of energy in the RoC.
- Drill rigs are now on site, the preparation of access roads and drill sites is complete and the mobilisation of crews and testwork equipment underway.
- At Kola, a cored borehole at the shaft site will provide data for the shaft design for the BFS. The shaft is central to the deposit and provides ease of access to the shallow high grade sylvinitite¹ mineral reserve (152 Mt grading 31.7% KCl)².
- At Dougou, drill hole ED_05 is planned to intersect 35-40m of carnallitite³ for testwork to provide data for solution mine design and if successful support an increase in the Measured and Indicated Resource, which currently stands at 1.1 billion tonnes grading 20.6% KCl, including 311 Mt grading 24.6% within the Hangingwall Seam (HWS)⁴.
- ELM has retained SRK to undertake the IFC and Equator Principles compliant environmental and social impact assessment (ESIA) for Dougou to supplement the Kola ESIA, which was completed in 2013⁵. A draft submission to the national regulator is scheduled for Q2 2016.

Elemental's CEO John Sanders commented:

"The start of the fieldwork on schedule, keeps us on track for the delivery of the Kola BFS and Dougou PFS, the outcomes of which are anticipated to reflect the unparalleled combination of the high grade, large size mineral resource on the property with the added benefit of low cost of energy and excellent location of these projects. The Kola drill hole will assist with the detailed design of the shaft which is to allow access to the shallow high-grade sylvinitite reserves. At Dougou, we are confident that the planned drill hole should intersect 35 metres of high grade carnallitite which has been the norm for this deposit. For the Dougou ESIA, SRK will build on the high quality work already completed for Kola to ensure that environmental and social baselines are established to the highest international standards."

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ISSUED CAPITAL

(As at -10 July 2015)
406.8m Ordinary Shares
ASX Code: ELM



On the 12th of August Elemental announced that the Kola BFS and Dougou PFS had commenced and that Hatch Goba (Hatch), a global leader in Potash mine design and construction, had been appointed as lead consultant. Further to this Meridian Drilling Limited have been contracted to undertake the drilling of two drillholes to provide critical data for these studies. Drill rigs are now on site and the preparation of access roads and drill sites is complete, with mobilisation of crew and testwork equipment underway. Drillhole ED_05 at Dougou is expected to start during September.

At Kola, a cored borehole (EK_48) will be drilled at the planned shaft site, for hydrological and geotechnical testwork. This data will support the shaft design for the BFS. The shaft location is central to the deposit and will provide ease of access to the shallow high grade sylvinitic reserve (152 Mt grading 31.7% KCl) hosted by the Upper and Lower Seams. The hole is expected to be approximately 200 metres deep, ending at the top of the evaporite sequence. The shaft bottom will be approximately 20 metres beyond this (220 metres) which is very shallow relative to potash mines globally, supporting significant cost savings and a shortened mine construction period.

At Dougou, the site has been prepared for the drilling of a hole (ED_05) to retrieve core for dissolution, geotechnical and metallurgical testwork to provide data for the design of the solution mining method in support of the PFS. The deposit is ideally suited to this mining method having a combined potash interval averaging 35 metres thick and being comprised uniformly of four flat to very gently dipping carnallite seams. If successful, ED_05 is anticipated to support a significant further increase in the Measured and Indicated Resource which currently stands at 1.1 billion tonnes grading 20.6% KCl, including 311 Mt grading 24.6% KCl within the Hangingwall Seam (HWS).

ELM has retained SRK to undertake the environmental and social impact assessment (ESIA) for Dougou. A “kick-off” meeting for this Equator Principles compliant study was completed in-country in early September 2015. Social, biodiversity and hydrological baseline investigations will be undertaken between October 2015 and February 2016. The Kola ESIA, which was completed and approved by the government in 2013 provided the basis for the award of the mining license in the same year. The data acquired during the Kola assessment supplements this campaign and serves to significantly reduce the time and scope of the Dougou study. A draft submission of the Dougou ESIA to the national regulator is scheduled for Q2 2016.

About Elemental Minerals and their potash projects

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. The Company has three projects at varying development stages; all within the 1067 km² Sintoukola Permit.

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. A Mining License and ESIA approval for Kola were granted in August 2013. The PFS was updated by the Phased Implementation Study⁶, which reduced the initial capital requirement for the project significantly while maintaining low operating costs (Life of Mine operating cost of US\$90 per tonne of MoP⁷). The Kola BFS will be for a conventional underground mine with phased development planned to reach full scale (2 Mtpa MoP) by 2024.

The Dougou Deposit is 15 km southwest of Kola and is a very large carnallite deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl. A Scoping Study⁸ on the deposit has been completed and confirmed that a low capital, low operating cost (Life of Mine operating cost of US\$68 per tonne MoP), quick to production carnallite solution mine can be established at Dougou, taking advantage of the thickness (average combined 35 metres of

potash) and availability of cheap energy in the RoC. The Dougou PFS will be for an initial 400 ktpa MoP solution mining operation scalable to 800 ktpa and then 1.2 Mtpa MoP.

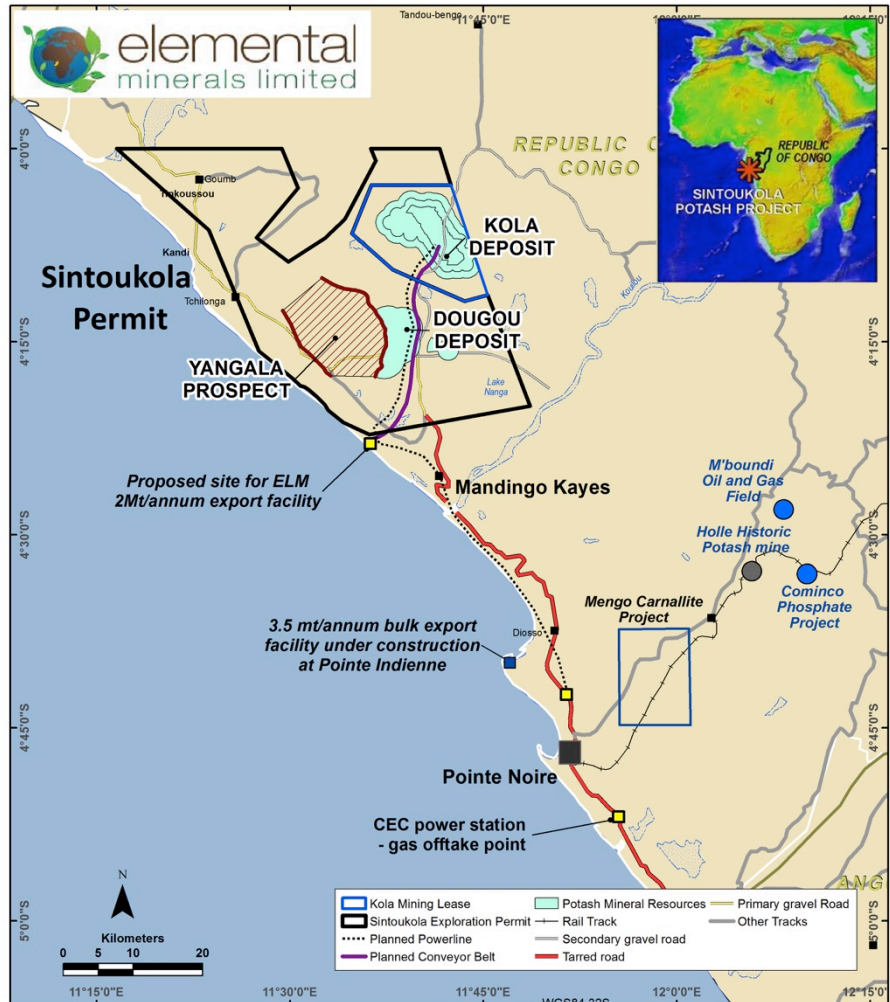


Figure 1: Location of the Kola and Dougou Projects within the Sintoukola Permit in relation to available infrastructure

The Yangala sylvinite 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 27th January 2015⁹.

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.

Explanation of Terms and References.

¹ Sylvinite: a rock comprising of the potash mineral sylvite (KCl) and other minerals such as halite (NaCl).

² NI 43-101 Technical Report. PFS for the Kola Deposit, 17 September 2012 (SRK Consulting)

³ Carnallite: a rock comprising of the potash mineral carnallite ($\text{KMgCl}_3 \cdot 6\text{H}_2\text{O}$) and other minerals such as halite (NaCl).

⁴ Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

⁵ Announcement dated 28 August 2013: Elemental Minerals Announces Approval of (Kola) environment and social impact assessment

⁶ Announcement dated 23 October 2014: Results of the Kola Phased Implementation Update for the High grade Kola Sylvinite Project.

⁷ MoP: Muriate of Potash, the final product, comprised of at least 95% KCl

⁸ Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

⁹ Announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinite 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 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.'
