



ELEMENTAL MINERALS REVIEW OF OPERATIONS FOR THE QUARTER ENDED 30 SEPTEMBER 2015

Perth, Australia – 30th October 2015 – Elemental Minerals Ltd. (ASX: ELEMENTAL) ("Elemental" or "the Company") is pleased to provide the following quarterly update on its activities at its Sintoukola Potash Project located in the Republic of Congo ("RoC")- Figure 1.

HIGHLIGHTS

Corporate

- Completion of a private placement of A\$4.98 million at AU\$0.20 per share from existing shareholders on the 10th July 2015.
- Non-binding term sheet signed with Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd on the 21st October 2015, provides for an equity injection of A\$ 19.3 million (approximately 101.6 million new shares at a subscription price of A\$ 0.19 per share) into the Company, and the provision of BFS and PFS support from Shapoorji personnel ("the Transaction").¹
- Negotiations continued with potential strategic partners for near term investment and/or longer term MoP² off-take continuing.

Kola Sylvinitite³ and Dougou Carnallite⁴ Projects

- The Bankable Feasibility Study (BFS) for the Kola project and the Pre Feasibility Study (PFS) for the Dougou project commenced on the 12th August 2015.⁵ Hatch Goba (Hatch), a global leader in Potash mine design and construction, were selected as the lead consultant for the studies.
- The fieldwork component of the studies started early in September and the drilling of the first of two boreholes is currently underway.⁶
- SRK Cardiff launched the Environmental Social Impact Assessment (ESIA) for Dougou September 2015 in preparation for mining license application in H2 2016.⁷
- Kola Project Mining Convention is in preparation for negotiations with the Republic of Congo authorities and finalization of this contract is planned for end of Q1 2016.

Corporate Activities

The company completed a private placement from existing shareholders of A\$4.98 million at AU\$0.20 per share on the 10th July 2015. The proceeds from this raising are being used in support of the planned Kola BFS and Dougou PFS respectively.

As announced on the 26th October 2015, the Company and Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd executed a non-binding term sheet that provides for an investment of AUD19.3m into the Company through a placement of 101.6m fully paid ordinary shares at AUD19c. per share. The total investment will, if the transaction is successful, equate to a 19.99% shareholding in the Company.

Shareholders should note that the Transaction is subject to conditions precedent customary for transactions of this nature including, successful completion of final due diligence, negotiation and execution of definitive transaction agreements and receipt of all necessary internal and external approvals (including the approval of ELM shareholders which will be sought towards the end of this year), and there is thus no assurance that any transaction will materialise from this term sheet. Shareholders and Investors are therefore advised to exercise caution in their dealings in the Company's securities.

Elemental is continuing with its discussions with globally significant companies, with interests in the fertilizer sector, pertaining to a sizable investment into the Company in the near term, and ultimate off-take of MoP once the project(s) are in production.

The Company has embarked on the process to finalize the Kola Project Mining Convention. This document, which forms a contract between the state and the Company, will encompass the commercial, legal, financial and operational components of the business for the life of mine. The consummation of this contract is planned for end of Q1 2016.

The Company's executive met with various Ministers of Government in the Republic of Congo on the 25th and 26th September 2015, to update them on the progress at the Kola and Dougou Projects. Thereafter a conference was held with the Minister of Mines, the Honourable Pierre Oba, and an update on the Project delivered to the senior staff of the various Ministries. The progress report was well received by the authorities.

Kola Sylvinite Project BFS

The site has been prepared for drillhole EK_48 to be drilled once ED_05 at Dougou is complete. EK_48 will be drilled at the planned shaft site, for hydrological and geotechnical test-work. 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 sylvinite reserve (152 Mt grading 31.7% KCl)⁷ 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.

In parallel to the field work, initial trade-off studies on the Kola project are in progress. These studies are aimed at further reducing the Kola capital expenditure and include a review of the gas offtake location, confirmation and optimization of the Phase 1 export methodology and further investigation of brine discharge methodologies. Hatch is expecting to complete these trade-offs by early 2016 and together with field data programme they will provide key inputs into the remainder of the BFS.

Dougou Carnallite Project PFS

At Dougou, drilling of drillhole ED_05 commenced on the 23rd September and completed on the 18th October at an end of hole depth of 624.15 metres. This hole is for the retrieval of core for dissolution, geotechnical and metallurgical test-work 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. Should assay results be as expected, 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 (Table 1), including 311 Mt grading 24.6% KCl within the Hangingwall Seam (HWS).⁸

The results for the metallurgical and dissolution test work on the Dougou drill-hole ED-05 core, are expected in early 2016, and will drive the processing and mining method design. Capital and operating costs estimates will then be developed.

SRK Cardiff was retained to undertake the ESIA on Dougou. A "kick-off" workshop in September 2015 confirmed that the comprehensive work completed for Kola will ensure that the Dougou baseline work can

be undertaken more time and cost efficiently than a typical greenfields ESIA. The assessment will be compliant with IFC Standards and Equator Principles and is expected to be complete in parallel with the Dougou PFS, in time for a mining license application in H2 2016.

Detailed social and biophysical baseline studies are planned for early 2016, with submission of the initial terms of reference to the national regulator in late 2015.

Strategic Direction

Elemental continues to pursue its strategy of advancing both its lead project Kola and the Dougou project. The Kola BFS is planned for completion in Q3 2016, with the start of construction foreseen in Q2 2017. The Dougou PFS and ESIA are both scheduled to be completed in Q2 2016. The Yangala Prospect remains an important asset within the Company's portfolio and is seen as an integral area for value add going forward.

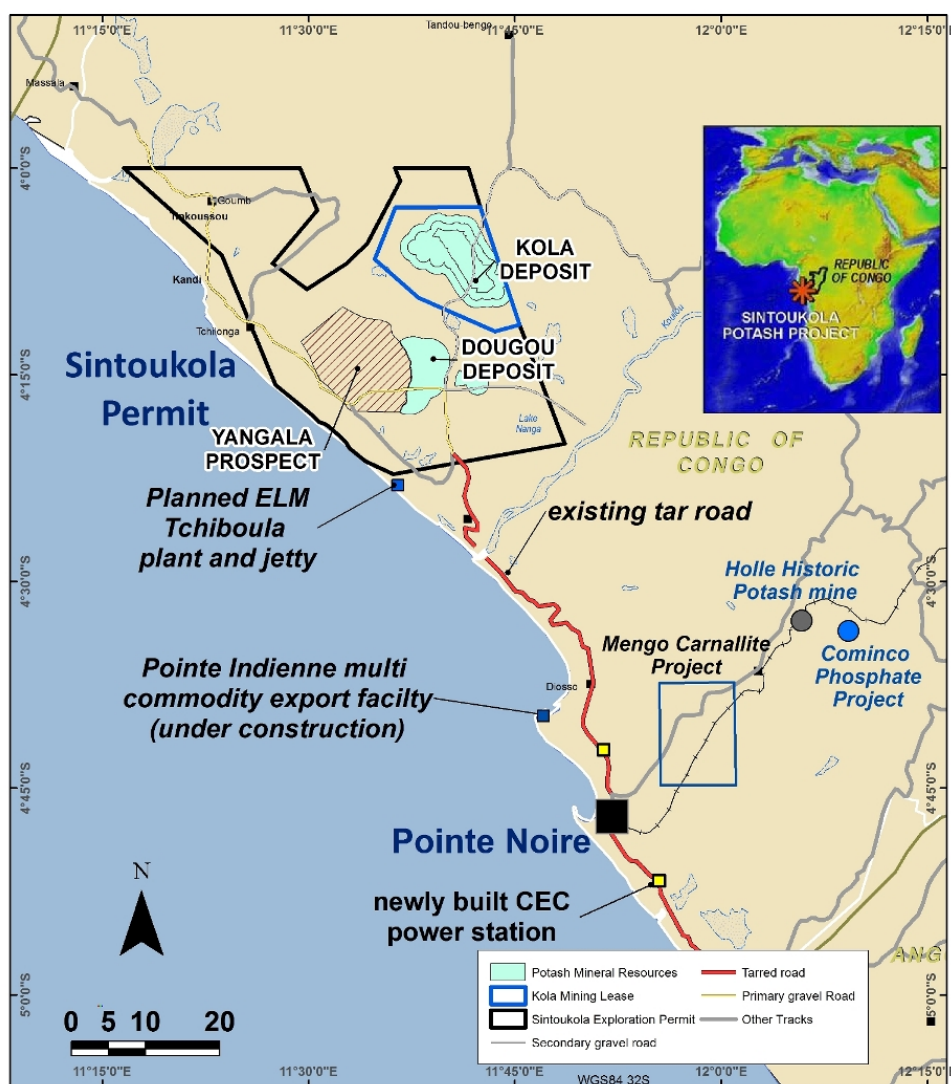


Figure 1. Location of the Sintoukola Project showing the Dougou, Kola and Yangala Projects, and available infrastructure.

Table 1. Elemental Minerals' Potash Mineral Resources

	Potash Mineral Resources		
Potash Deposit	Category	Million Tonnes	Grade KCl %
Kola Sylvinite	Measured	264	33.75
	Indicated	309	32.61
	Inferred	475	32.48
	TOTAL	1,048	32.84
Kola Carnallitite	Measured	295	17.83
	Indicated	449	18.69
	Inferred	473	18.81
	TOTAL	1,217	18.53
Dougou Carnallitite	Measured	148	20.07
	Indicated	920	20.65
	Inferred	1,988	20.77
	TOTAL	3,056	20.70
TOTAL MINERAL RESOURCES	Measured	707	24.24
	Indicated	1,678	22.33
	Inferred	2,936	22.35
	TOTAL	5,321	22.59

Notes: The Kola Mineral resources were estimated by CSA Global of Perth, and reported under the JORC Code 2004. Elemental is not aware of any new information or data that materially affects the information included in the Announcement to the ASX on the 21st August titled "Elemental Announces Further Significant Mineral Resource Upgrade for Kola". In the case of the Mineral Resources the company can confirm the assumptions and the technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context of the Competent Person's findings as presented in the announcement have not materially changed. The Dougou Mineral Resource was completed by ERCOSPLAN Ingenieuresellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in accordance with the JORC code 2012 in the ASX announcement dated 9 February 2015 titled "Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit". Table entries are rounded to the appropriate significant figure. A conversion factor of 1.5837 was used to convert K₂O to KCl. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.

About Elemental Minerals and Tenement Details

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.

The Kola Project consists of 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 2013.⁹ The PFS was updated by the Phased Implementation Study, which reduced the initial capital requirement for the project significantly while maintaining low operating costs.¹⁰

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 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.¹¹

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 27th January 2015.¹² 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.

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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 and whilst there is a reasonable basis for making such statements regarding the proposed placement described herein; 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.

Explanation of Terms and References. All references are available on the Company's website

1: Announcement dated 26 October 2015: Non-binding term sheet signed with the Shapoorji pallonji Group to make a significant investment into Elemental Minerals and provide assistance with the Kola Project build phase

2: MoP: Muriate of Potash, the final fertilizer product, comprised of a minimum 95% KCl (potassium chloride).

3: Sylvinite: a rock comprising predominantly of the potash mineral sylvite (KCl) and halite (NaCl).

4: Carnallite: a potash mineral with the formula $KMgCl_3 \cdot 6H_2O$. Carnallite refers to the rock type comprising predominantly of carnallite and halite (NaCl).

5: Announcement dated 12 August 2015: Elemental Commences Bankable Feasibility Study for the Kola Sylvinite Project and the Pre-Feasibility Study for the Dougou Carnallite Project.

6: Announcement dated 10 September 2015: Fieldwork for the Kola Bankable Feasibility Study, Dougou Pre-Feasibility Study and ESIA start on schedule

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

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

9: Announcement dated 15 August 2013: Elemental Minerals Announces Award of Mining License for the Sintoukola Potash Project.

10: Announcement dated 23 October 2014: Elemental Minerals Announces Results of the Kola Phased Implementation Update for the High grade Kola Sylvinite Project.

11: Announcement dated 17 February 2015: Elemental Minerals Announces Results for the Dougou Potash Project Scoping Study

12: Announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinite Hangingwall Seam at the Yangala Prospect.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Elemental Minerals Limited

ABN

31 108 066 422

Quarter ended ("current quarter")

30 SEPTEMBER 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$USD'000	Year to date (9 months) \$USD'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (448)	- - - (1,201)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (R & D Refund)	-	-
Net Operating Cash Flows	(443)	(1,178)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) exploration, development and evaluation (b) equity investments (c) other fixed assets	(657) - -	(2,663) - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(657)	(2,663)
1.13 Total operating and investing cash flows (carried forward)	(1,100)	(3,841)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,100)	(3,841)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,723	3,723
1.15	Repayment of borrowings	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of convertible notes	-	-
1.18	Interest paid on convertible notes	-	-
1.19	Proceeds from convertible notes	-	-
1.20	Cost of Capital raising	-	-
	Net financing cash flows	3,723	3,723
	Net increase (decrease) in cash held	2,623	(118)
1.20	Cash at beginning of quarter/year to date	2,953	5,810
1.21	Exchange rate adjustments to item 1.20	(55)	(171)
1.22	Cash at end of quarter*	5,521	5,521

* AUD\$ 7.914m @ 0.6976

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$USD'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	123
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

All payments to Directors and associates are on normal commercial terms:

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$USD'000	Amount used \$USD'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$USD'000
4.1 Exploration and evaluation	2 475.1
4.2 Development	-
4.3 Production	-
4.4 Administration	491.4
Total	2 966.5

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$USD'000	Previous quarter \$USD'000
5.1 Cash on hand and at bank	5,521	2,953
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,521	2,953

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	-	-	-	-
7.2	-	-	-	-
7.3	406,775,877	406,775,877	-	Fully Paid
7.4	24,925,000	24,925,000	A\$0.20	A\$0.20
7.5	-	-	-	-

+ See chapter 19 for defined terms.


Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
		78,915,929	78,915,929	AUD\$0.25	15/01/2016
		500,000	-	AUD\$1.09	09/01/2016
		300,000	-	AUD\$1.29	13/02/2016
		250,000	-	AUD\$1.12	23/04/2016
		500,000	-	AUD\$1.18	01/04/2016
		250,000	-	AUD\$0.90	22/05/2017
		6,691,226	-	AUD\$0.33	15/04/2018
		1,500,000	-	AUD\$0.33	26/06/2018
7.8	Issued during quarter				
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Performance Rights Issued under the Company's Performance Rights Plan	3,500,000 3,500,000 3,500,000 2,666,090 2,666,090 2,666,090	Class A Class B Class C Class A Class B Class C		11/03/2017 11/03/2018 11/03/2019 16/09/2017 16/09/2018 16/09/2019
7.12	Issued during quarter	2,666,090 2,666,090 2,666,090	Class A Class B Class C		16/09/2017 16/09/2018 16/09/2019

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: .....
(Director & Company secretary)

Date: 30 October 2015

Print name: Leonard Math

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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