

CHAIRMAN'S ADDRESS – ANNUAL GENERAL MEETING

Ladies and Gentlemen,

Welcome to Elemental's Annual General Meeting.

I would like to start by giving you an update on the Summit investment. As we mentioned in the Notice of Meeting, dated 27 May 2016, the Board had anticipated that the transaction would be announced before this meeting today. Unfortunately, the timing of the transaction is largely outside the Board's control and despite best efforts from all parties involved, the transaction is yet to be completed. I can however, confirm that we are in the final stages whereby the documentation has effectively been agreed upon and we are waiting on final approval from within the Summit group of investors. The consortium have indicated that they expect to give their approval before mid-July.

On behalf of the Board, I would like to acknowledge the continued patience and support from our shareholders as we work through finalising this process.

I appreciate that this has been a longer process than any of us expected. However, the Board firmly believes that the proposed transaction is in the best interests of the Company. This transaction would in one step transform the Company into an appropriately capitalised business with a significantly de-risked future. The strategy of working with the Summit group of investors and the French consortium of engineering firms (the French Consortium), allows us to complete the Definitive Feasibility Study (DFS) of Kola and receive a fixed price Engineering, Procurement and Construction contract on Kola. In addition, we will be in a position to further drill Dougou Extension (previously named Yangala) to further test the seam which is a candidate for the world's highest grading potash seam at 55% to 60% KCl.

At a time when many junior mining companies are struggling to raise capital, the fact that we have this level of investor interest is testament to the quality of the project and the overall business operations. Elemental remains one of the most exciting potash opportunities in the world with its forecast lower quartile OPEX cost, high grade resource, shallow depth, mining permit, coastal location and dedicated jetty, permitting for all infrastructure in place, and good access to readily available infrastructure such as electricity, gas and water.

Over the last few months the Company has been busy working with the French Consortium to complete the Master plan which provides a comprehensive strategic overview of all the Company's projects setting out planning considerations of common infrastructure works that can be utilised across the different

ELEMENTAL MINERALS LIMITED

Level 3, 88 William Street,
Perth,
Western Australia 6000
Telephone: +61 (8) 9463 2463
Facsimile: +61 (8) 9463 2499

EMAIL AND WEBSITE

info@elementalminerals.com
www.elementalminerals.com

DIRECTORS

Chairman: David Hathorn
Managing Director: Sean Bennett
Non-exec Director: Jonathan Trollip
Non-exec Director: Leonard Math

ISSUED CAPITAL

(As at – 30 June 2016)
433.3m Ordinary Shares
ASX Code: ELM



projects. These infrastructure synergies will provide a holistic design basis for the Kola DFS, taking into account the Company's project development pipeline. The Company has also commenced some early trade off studies in order to ensure that upon completion of the Summit transaction, it is in the best possible position to commence the DFS with minimal additional delay.

Despite the investment being in advanced stages, until it is concluded caution should still be exercised in trading in Elemental shares.

In closing, I would like to acknowledge the efforts of my fellow directors, management and staff.

Again, I would like to extend our thanks to our shareholders.

We remain committed to our project development plan and to returning value to shareholders as we progress on the path to becoming a highly competitive potash producer.

- ENDS -

About Elemental Minerals Limited

Elemental Minerals Limited (ASX: ELM) is an advanced stage mineral exploration and development company whose primary asset is 97%-owned Sintoukola Potash SARL (SP) in the RoC. SP holds 100% ownership of the Sintoukola Exploration Permit and 100% of the Kola Mining Lease, within which the Kola, Dougou and Yangala Projects are located.

These properties are easily accessed, being located approximately 80km to the north of the city of Pointe Noire. The 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. The three projects are at varying stages of development; the Kola sylvinitic Project is the Company's lead project.

Kola is a large sylvinitic deposit, for which a Pre-Feasibility Study (PFS) defined Proven and Probable Reserves of 152 Mt of sylvinitic ore¹ with an average grade of 31.7% KCl to be mined by conventional underground methods (at a depth of between 200 and 300 m), for a full scale production of 2 Mtpa Muriate of Potash (MoP) by 2024. A Mining License and ESIA approval for Kola were granted in August 2013².

The Dougou Deposit is 15 km southwest of Kola and is a very large carnallitic deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of carnallitic within 4 flat-lying seams³. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015⁴. This Study indicates that a low capital cost, low operating cost (Life of Mine operating cost of US\$68 per tonne MOP), quick to production carnallitic⁵ solution mine can be established at Dougou, taking advantage of the deposit quality and availability of cheap energy in the RoC.

The Yangala Sylvinitic Prospect lies immediately west of Dougou. At Yangala, the Company has drilled two holes, both intersecting a flat-lying layer of over 4 to 4.5 metres thickness with a grade of between 57 and 60% KCl, a candidate for the world's highest grading potash seam⁶. An Exploration Target of 235 to 470 Mt grading 55 to 60 % KCl was announced on 27th January 2015⁷.

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.

¹ NI 43-101 Technical Report. PFS for the Kola Deposit, 17 September 2012 (SRK Consulting)

² Announcement dated 15 August 2013: Elemental Minerals Announces Award of Mining License for the Kola Potash Project.

³ Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

⁴ Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

⁵ Carnallitic: a rock comprising of the potash mineral carnallite (KMgCl₃·6H₂O) and other minerals such as halite (NaCl).

⁶ Announcement dated 20 October 2014: Elemental Minerals Announces results for the Phase 1B drilling programme in the Dougou-Yangala area (part of the Sintoukola Potash Project) in the Republic of Congo (RoC).

⁷ Announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinitic Hangingwall Seam at the Yangala Prospect.

| | Potash Mineral Resources | | |
|-------------------------|--------------------------|----------------|--------------|
| Potash Deposit | Category | Million Tonnes | Grade KCl % |
| Kola Sylvinitite | 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 |

Table 1. Elemental Minerals' potash Resources

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 Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in accordance with the JORC 2012 code 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.

| Category | Million Tonnes | Grade KCl % |
|--------------|----------------|--------------|
| Proven | 88 | 31.68 |
| Probable | 64 | 31.69 |
| TOTAL | 152 | 31.69 |

Table 2. Elemental Minerals' potash Ore Reserves

Notes: The Kola Sylvinitite Mineral Reserves were determined by SRK Consulting and described in detail in the report titled 'NI 43-101 Technical Report for the Sintoukola Potash Project, Republic of Congo' dated 17 September 2012 and have not changed since then.

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.

