



elemental
minerals limited

ABN 31 108 066 422

Notice of Extraordinary General Meeting Proxy Form and Explanatory Statement

Date of Meeting

20 October 2016

Time of Meeting

4.00pm (AWST)

Place of Meeting

Indaba Hotel

William Nicol Drive & Pieter Wenning Road,

Fourways Johannesburg,

South Africa

*This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor
or other professional adviser without delay.*

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Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN THAT THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF ELEMENTAL MINERALS LIMITED ABN 31 108 066 422 (“ELEMENTAL”/THE “COMPANY”) WILL BE HELD AT INDABA HOTEL, WILLIAM NICOL DRIVE & PIETER WENNING ROAD, FOURWAYS JOHANNESBURG, SOUTH AFRICA ON 20 OCTOBER 2016, AT 4.00 PM (AWST).

AGENDA

BUSINESS

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Extraordinary General Meeting.

Resolution 1 – Approval for the issue of Shares and Options to the Investors

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **Ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Shares and 50,000,000 Options to the Investors on the terms and conditions contained in the Explanatory Statement to this Notice of Meeting.”

Resolution 2 – Approval for the issue of Shares and Options to David Hathorn

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **Ordinary Resolution**:

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue Shares and up to 2,000,000 Options to David Hathorn or his nominee on the terms set out in the Explanatory Memorandum.”

Resolution 3 – Approval for the issue of Shares and Options to Sean Bennett

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **Ordinary Resolution**:

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue Shares and up to 100,000 Options to Sean Bennett or his nominee on the terms set out in the Explanatory Memorandum.”

Resolution 4 – Change of Company Name

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **Special Resolution**:

“That, for the purposes of section 157(1)(a) of the Corporations Act 2001 and for all other purposes, approval is given for the name of the Company to be changed to Kore Potash Limited”

BY ORDER OF THE BOARD

LEONARD MATH

Director & Joint Company Secretary

Dated 19 September 2016

VOTING EXCLUSIONS

Resolution 1

The Company will disregard any votes on Resolution 1 by any person who may participate in the proposed issues and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares and any associate of that person.

Resolution 2

The Company will disregard any votes on Resolution 2 by David Hathorn and his associates.

Resolution 3

The Company will disregard any votes on Resolution 3 by Sean Bennett and his associates.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

ENTITLEMENT TO ATTEND AND VOTE

You will be entitled to attend and vote at the Meeting if you are registered as a Shareholder of the Company as at 4.00PM (AWST) on Tuesday, 18 October 2016. This is because, in accordance with the Corporations Regulations 2001 (Cth), the Board of Directors has determined that the Shares on issue at that time will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

HOW TO VOTE

Voting in person

Shareholders who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded.

For those Shareholders who are unable to physically attend the venue, a teleconference and/or a live video webcast will be available on 20 October 2016 at 4.00pm (AWST). The Company will announce the details of the teleconference and/or the live video webcast to the ASX on a date closer to the Meeting.

Corporate representatives

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the Meeting in accordance with section 250D of the Corporations Act. The appropriate appointment document must be produced prior to admission. A form of the certificate can be obtained from the Company's registered office.

Voting by proxy

A Shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative in accordance with section 250D of

the Corporations Act to exercise its powers as proxy at the Meeting (see above). If a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines.

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the Meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's registered office.

To be effective for the scheduled Meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at an address or fax number below no later than 4:00pm (AWST) Tuesday, 18 October 2016, being at least 48 hours before the time of the Meeting. Any proxy appointment received after that time will not be valid for the scheduled Meeting.

In person

Registered Office

Level 3, 88 William Street
Perth, Western Australia 6000

By mail

GPO Box 2570,
Perth, Western Australia 6001

By email

leonard.math@elementalminerals.com

By fax

+61 8 9463 2499

For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

Voting by attorney

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at one of the addresses listed above for the receipt of proxy appointments at least 48 hours prior to the commencement of the Meeting.

Chairman as proxy

If you appoint a proxy, the Company encourages you to consider directing them how to vote by marking the appropriate box on each of the proposed Resolutions.

If a Shareholder entitled to vote on a Resolution appoints the Chairman of the Meeting as their proxy (or the Chairman becomes their proxy by default) and the Shareholder does not direct the Chairman how to vote on that Resolution, the Chairman intends to vote in favour of that Resolution, as proxy for that Shareholder.

If you do not want to put the Chairman of the Meeting in the position to cast your votes in favour of any of the proposed Resolutions, you should complete the appropriate box on the proxy form, directing your proxy to vote against, or to abstain from voting, on the Resolution.

EXPLANATORY STATEMENT

This Explanatory Statement is for the information of Shareholders in connection with Resolutions to be considered at the Meeting to be held on Thursday, 20 October 2016 at 4.00 PM (AWST). If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

Background to Resolution 1

As announced to ASX on 1 September 2016, the Company has entered into agreements with a consortium of unrelated investors to raise US\$50 million through the issue of Shares at an issue price of A\$0.20 per Share with one free attaching Option for every US\$1 subscribed for (**Summit Transactions**).

The consortium of investors consists of:

- Sociedad Quimica y Minera de Chile S.A., a company incorporated under the laws of Chile (**SQM**) is an integrated producer and distributor of specialty plant nutrients, iodine, lithium, potassium-related fertilizers and industrial chemicals. Its products are based on the development of high quality natural resources that allow the Company to be a leader in costs, supported by a specialized international network with sales in over 110 countries totalling close to US\$2 billion annually. SQM is listed on the Santiago and the New York Stock Exchange (ticker SQM) and currently has a market capitalisation of approximately US\$6.5 billion.
- Princess Aurora Company Pte. Limited, a company incorporated in Singapore and a subsidiary of State General Reserve Fund of Oman (**SGRF**). SGRF is the sovereign wealth fund of the Sultanate of Oman with a focus on investing the Omani Government's reserves to provide a long-term return for future generations, while also diversifying away from the oil & gas sector. SGRF achieves this by investing primarily internationally across a range of asset classes. Headquartered in Muscat, Oman, SGRF has direct investments in some 25 countries internationally in addition to managing a diversified portfolio of listed market investments across different asset classes. For its direct investment program, SGRF has a particular interest in sectors underpinned by long-term fundamental 'megatrends' such as ports, transportation & logistics, healthcare, power & utilities, mining & resources etc. SGRF also looks to make strategic investments that can be a catalyst to the development and diversification of the Omani economy.
- Summit (**Summit**), a private equity investment group which provides distinct perspective on value creation. The Summit team brings together a blend of intellectual capital and experience across industries, geographies and market cycles, giving them exceptional insight into their clients' needs, and an intuitive grasp of the right strategic solutions and innovative transaction structures. The investment will be completed through a protective cell company established by Summit and registered in Mauritius, or its nominee

(together, the **Investors**).

Each Investor is unrelated to the Company and has entered into a separate agreement with the Company in relation to the Summit Transactions (**Investment Agreements**).

The funds raised under the Summit Transactions will be used to complete a bankable feasibility study for the Company's Kola Project and carry out additional drilling at Dougou Extension (previously named Yangala).

Completion under the Investment Agreements is conditional upon Shareholder approval for the issue of Shares and Options (to be sought at the Meeting), FIRB approval (with respect to SGRF's subscription), and all regulatory approvals required by the Mauritius Financial Services Commission and the Central Bank of Mauritius (with respect to Summit).

Number of Shares and Options to be issued under the Summit Transactions

The Shares to be issued under the Summit Transactions will be issued at A\$0.20 per Share. The amount of Shares to be issued will be calculated using the following formula:

$$\text{Number of Shares to be issued} = \frac{\text{US\$ Subscription Amount} \times \text{Exchange Rate}}{\text{A\$0.20}}$$

The "US\$ Subscription Amount" is the subscription amount (in US dollars) that each Investor (or its nominee) will pay to the Company at completion of the Summit Transactions (**Completion**) at the prevailing US\$:A\$ exchange rate at completion.

The Company will also issue 50 million Options under the Summit Transactions to the Investors (or their nominees) for no additional consideration. The Options are exercisable at A\$0.30 and expire 3 years from the date of grant. The full terms of the Options are set out in the Annexure.

Following is a table which sets out the number of securities to be issued to the Investors (or their nominees) and their voting power, based upon the current US\$:A\$ exchange rates:

Investor	Shares to be issued to the Investor (or its nominee) ¹						Options to be issued to the Investor (or its Nominee)
	USD/AUD 1.2827 ²		USD/AUD 1.4585 ³		USD/AUD 1.3389 ⁴		
	Number	%	Number	%	Number	%	Number
Summit	64,616,516	8.54	73,471,937	9.2	67,447,088	8.75	10,000,000
SGRF	129,233,033	17.08	146,943,875	18.4	134,894,175	17.5	20,000,000
SQM	129,233,033	17.08	146,943,875	18.4	134,894,175	17.5	20,000,000
On a fully diluted basis and assuming no other Shares or Options are issued, the Investors (or their nominees) will each have Shares and voting powers of the Company as set out below:							
	Number	%	Number	%	Number	%	
Summit	74,616,516	9.25	83,471,937	9.8	77,447,088	9.4	
SGRF	149,233,033	18.51	166,943,875	19.62	154,894,175	18.9	
SQM	149,233,033	18.51	166,943,875	19.62	154,894,175	18.9	

Note:

¹ the number of Shares are indicative only. The exact number of Shares to be issued will depend on the prevailing US\$:A\$ exchange rate.

² 12-month low exchange rate on 20 April 2016 based on Thomson Reuters screen fix.

³ 12-month high exchange rate on 18 January 2016 based on Thomson Reuters screen fix.

⁴ Exchange rate on 15 September 2016 based on Thomson Reuters screen fix.

Other key terms of the Investment Agreements

The appointment of nominee directors

Each of SGRF and SQM has the right to nominate a director for appointment to the Company's Board for so long as they each hold a Relevant Interest of 10% or more in the total number of Shares. The appointment of each of SQM and SGRF's initial nominees to the Board will occur at Completion.

Information rights

The Company must provide the Investors (in accordance with the applicable timeframes set out in the Investment Agreements) with all Company information including (without limitation), financial statements, monthly management reports, annual operating plans and budgets and copies of all notices, circulars, minutes of meetings and such other information that is available to Shareholders that relates to the Company.

The Company is not required to provide that information to the Investor:

- (a) to the extent that it has been provided to the Investor by the Investor's nominee Director; or
- (b) if the Investor ceases to have a Relevant Interest in 10% or more of the issued ordinary share capital of the Company.

Further funding

From Completion, if the Company requires further funding, as long as SGRF or SQM (as applicable) holds at least a 10% Relevant Interest in the total number of Shares, the Company must first consult with the relevant Investor and use its reasonable endeavours to raise money via a pro-rata rights issue to existing Shareholders.

If that is not practicable and subject to the ASX Listing Rules, the Company must provide the Investor with a right to be issued additional Shares for cash on the same terms as those offered to each other third party investor, in order to maintain its Relevant Interest in the total number of Shares. That Investor will also have the right to participate on a cash equivalent basis in any new issues of Shares issued by the Company other than for cash on a pro-rata basis.

Off take

On and from Completion and for so long as either SGRF or SQM has a Relevant Interest in at least 10% of the total number of the Shares, SGRF or SQM (as applicable) will have a first right of refusal to purchase, on arm's length terms, a proportion of product produced from any of the Company's Projects.

The right of first refusal is limited to a minimum of 20% of product off-take each, with their right increasing as their Relevant Interest increases above 20%. However, if Investors have a collective Relevant Interest of 80% or more of the total number of Shares, SGRF and SQM has the right to product off-take that is equal to their Relevant Interest at that time.

If the Relevant Interest of either of SGRF's or SQM's falls below 10% then the right of first refusal of the shareholder or shareholders below 10% ceases.

Prior to closing on construction finance for any of the Company's Projects, the Company must negotiate in good faith with each of SGRF and SQM for more formal off take agreements.

Marketing and distribution

Due to SQM and SGRF's ability to market and distribute product produced from the Company's Projects, it is the Company's intention to negotiate commercial terms with SQM and SGRF in relation to the marketing and distribution of product in jurisdictions where SGRF and SQM have expertise.

Management incentive arrangements

As soon as reasonably practicable following Completion any performance rights issued between the Investment Agreements being signed and completion will automatically lapse and SGRF and SQM will have the right to review the current incentive schemes applicable to the Company's management. Following that review, if the Investors consider it necessary, they may propose a replacement incentive scheme for consideration and approval by the Company's remuneration committee within 3 months of completion, subject to all legal and regulatory requirements.

The Investors will also be given the opportunity to propose new performance conditions for certain performance rights proposed to be issued by the Company prior to Completion under the Company's existing Performance Rights Plan.

Key employment contracts

While SGRF and SQM each hold 10% or more of the total issued Shares in the Company, they will each have the right (not to be unreasonably withheld) to approve the appointment, whether on an employment or consultancy basis, of certain persons critical to the Company's Projects (as agreed between the Company and SGRF and SQM from time to time).

Exclusivity and break fee

The Company is not permitted to (among other things) directly or indirectly procure an investment proposal that would lead to a third party investor acquiring a substantial interest in the Company or its assets or which would otherwise frustrate the Summit Transactions. This exclusivity arrangement will remain in force until the earlier of 30 October 2016, completion of the Summit Transactions or termination of the Investment.

The Company will, in the event Shareholders do not approve the Summit Transactions pay total break fees of US\$1.471 million.

Warranties

The Company provides each Investor with certain warranties relating to matters such as its accounts, compliance with law, and its mining licences. The Company's maximum liability to each Investor is limited to the Investor's subscription price.

Existing shareholder participation

At the request of the Company, in order to minimise dilution to existing shareholders, Summit and the Company have also agreed to find mechanisms to undertake a transaction that allows shareholders to participate in the capital raising at the same issue price as to the Strategic Investors thereby reducing Summit's investment amount by US\$5m.

Advantages of the Summit Transactions

The capital raising and preliminary off-take agreements allows the Company to pursue a new strategy with the aim of accelerating the development of its various Potash projects and creating significant shareholder value through:

- Investment by three strategic shareholders that bring a combination of potash experience, Latin American, Middle Eastern and African influence, financing expertise and significant financial capability.
- Allowing the Company to appoint a team of world-class project engineers and project managers for the DFS. The Company will engage Vinci Construction Group, Technip France S.A., Egis Group and Louis Dreyfus Armateurs (collectively known as the 'Construction Consortium') to provide a comprehensive DFS for the Kola Mine, inclusive of pre-engineering works, within 14 months.
- Allowing the Company to receive a binding EPC contract within 3 months of completion of the DFS. As a junior mining company the risks of construction cost overruns are significant. The early involvement of the Construction Consortium through the DFS allows the Construction Consortium to produce an open-book, fixed price, binding EPC offer within 3 months from completing the DFS. This has the potential to significantly de-risk the construction phase for Elemental and its stakeholders.
- Reduction in timeframes. As a result of the early involvement of the Construction Consortium, and their credentials being known upfront, the Company hopes to accelerate construction by potentially up to 18 months compared to a normal EPC tender process. This will have a correspondingly positive impact on the project's net present value.
- Drilling another 8 holes at the Dougou Extension to further test the exploration target (235-470m tonnes grading 55-60% KCl). The two initial holes drilled at the Dougou Extension confirmed the presence of a seam which is a candidate for the world's highest grading potash seam. If proven this would significantly reduce both Capex and Opex by comparison to other projects globally. These drilling results will provide more information to define the best strategy to follow production.
- Enhancing the Company's financing capability. The credentials and financial capability of the Strategic Investors, the preliminary off-take agreements as well as expertise of the Construction Consortium enhances the ability of the Company to finalise project financing thereby allowing the Company to commence construction on an accelerated timeline.
- De-risking and value creation for shareholders. Over the last couple of years the Company has continued to trade at a significant discount to other companies at similar stages of development. The Board believes that this is largely because the market is sceptical as to the Company's ability to deliver the project. With the new strategic shareholders, significant funding, offtake agreements and the prospect of a Fixed Price EPC from a world class Construction Consortium, the Company's ability to deliver the project will be materially de-risked. This allows the market to have more confidence in the Company's capability to deliver the project thereby creating

significant additional value.

Disadvantages of the Summit Transactions

Shareholders should be aware that a disadvantage of the Summit Transactions is that existing Shareholders will be diluted by between:

- (a) 57.3% and 54.0% as a result of the issue of Shares under the Summit Transactions; and
- (b) 53.74% and 50.96% as a result of the exercise of Options issued under the Summit Transactions (assuming no other Shares are issued).

Resolution 1

Listing Rule 7.1 limits the number of equity securities a company can issue in a 12 month period to 15% of its issued share capital, subject to certain exceptions, including issue that are first approved by Shareholders.

Resolution 1 seeks Shareholder approval under Listing Rule 7.1 for the issue of Shares, the Options and the issue of Shares on exercise of the Options, to the Investors under the Summit Transactions. The effect of passing Resolution 1 will be to allow the Company to issue securities in accordance with the Resolution without those securities being included in the Company's 15% limit.

Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the issue of Shares and Options under the Summit Transactions:

- (a) The maximum number of Shares to be issued will be determined using the formula set out in the Background to Resolution 1 above. The maximum number of Options to be issued is 50 million.
- (b) The Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that each issue will occur on the same date.
- (c) The issue price for the Shares is A\$0.20 per Share. The Options are issued for nil consideration, are exercisable at A\$0.30 and expire 3 years from the date of grant.
- (d) The Shares and the Options will be issued to SGRF, SQM and Summit (or their nominees), who are unrelated parties.
- (e) The Shares will be issued on the same terms as all other ordinary shares currently on issue and the Options will be granted on the terms set out in the Annexure.
- (f) The use (or intended use) of the funds raised is to complete a bankable feasibility study for the Company's Kola Project and to carry out additional drilling at Dougou Extension.
- (g) The securities will be issued 2 business days after the conditions precedent are satisfied, or such other date as the parties agree.
- (h) A voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors unanimously recommend that, in the absence of a superior alternative transaction, Shareholders vote in favour of Resolution 1.

Resolutions 2 and 3 – Issue of Shares and attaching Options to Directors

As foreshadowed in its announcement on 1 September 2016, the Company is considering how existing Shareholders can participate in the Summit Transaction. Whilst this process continues and so as to keep its options open, Messrs David Hathorn and Sean Bennett, the Company's Chairman and Managing Director respectively, have requested to subscribe for Shares for up to US\$2.0m and US\$0.1m respectively. Any such issue will be on the same terms as to Summit, SQM and SGRF under the Summit Transaction, including an issue price of A\$0.20 per Share and 1 free attaching Options for every US\$1 invested.

The total amount raised under both the Summit Transaction and from any placement to existing Shareholders (including Messrs Hathorn and Bennett) will be limited to US\$50 million.

Any issue of securities to David Hathorn and Sean Bennett requires Shareholder approval under Listing Rule 10.11, but is otherwise unconditional (including with respect to the Summit Transaction).

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company.

Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

David Hathorn and Sean Bennett are Directors, and therefore related parties of the Company.

The non-participating Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required as the Shares and attaching Options will be issued on the same terms as Shares issued under the Summit Transaction and as such the giving of the financial benefit is on arm's length terms.

Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party. If shareholder approval is obtained under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1 and the proposed issues will be included in the 15% annual limit permitted by Listing Rule 7.1.

Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The securities will be issued to David Hathorn and Sean Bennett.
- (b) The maximum number of securities to be issued to the Directors is to be determined using the same formula as which will apply under the Summit Transaction, namely:

$$\text{Number of Shares to be issued} = \frac{\text{US\$ Subscription Amount} \times \text{Exchange Rate}}{\text{A\$0.20}}$$

The "US\$ Subscription Amount" is US\$2 million and US\$100,000 respectively for Messrs Hathorn and Bennett.

The "Exchange Rate" is determined on the same basis as under the Summit Transaction.

- (c) The securities will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (d) The issue price of the Shares is intended to be A\$0.20 and the Options will be free attaching. The shares to be issued are in the same class of the Company's existing fully paid ordinary shares. The terms of the options are annexed to this Explanatory Statement.
- (e) A voting exclusion statement is included in the Notice.
- (f) The use (or intended use) of the funds raised is to finance the Company's Projects including to complete a bankable feasibility study for the Company's Kola Project.

Directors' recommendation

The Directors, other than David Hathorn, unanimously recommend that Shareholders vote in favour of Resolution 2.

David Hathorn declines to make a recommendation to Shareholders in relation to Resolution 2 as he has a material personal interest in the outcome of Resolution 2. David Hathorn and his associates will

not be entitled to vote on Resolution 2.

The Directors, other than Sean Bennett, unanimously recommend that Shareholders vote in favour of Resolution 3.

Sean Bennett declines to make a recommendation to Shareholders in relation to Resolution 3 as he has a material personal interest in the outcome of Resolution 3. Sean Bennett and his associates will not be entitled to vote on Resolution 3.

Resolution 4 – Change of Company Name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 4 seeks the approval of Shareholders for the Company to change its name to Kore Potash Limited. If Resolution 4 is passed, the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 4 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the meeting in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the future operations of the Company.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

SCHEDULE 2 - DEFINITIONS

In this Notice and Explanatory Statement:

Associate	has the meaning given to it for the purposes of the Corporations Act.
ASX	means the Australian Securities Exchange.
AWST	means the Australian Western Standard Time.
Board	means the board of Directors.
Company	means Elemental Mineral Limited.
Company's Projects	includes the Dougou Project, the Kola Project and the Yangala Project.
Completion	means completion of the Summit Transactions.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Exchange Rate	means the rate of US\$1 to AU\$ determined using the WM/Reuters Australian Dollar Fix US/AUD rate of exchange displayed on Thomson Reuters screen page AUDFIX at 4.00pm (Sydney time) on the Key Condition Date (as defined under the Investment Agreements), multiplied by 1.0075. If at or about that time, for any reason the Thomson Reuters screen page AUDFIX is not available, then the exchange rate shall be that displayed on that page at 4.00 pm (Sydney time) on the last day on which it was available.
Investors	means Summit, SGRF and SQM.
Investment Agreements	has the meaning given in the Explanatory Statement.
Listing Rule	means the listing rules of the ASX.
Meeting	means the meeting convened by this Notice (as adjourned from time to time).
Notice	means this notice of meeting.
Option	means an option to acquire a Share.
Ordinary Resolution	means a resolution that has been passed by at least 50% of the votes cast by shareholders entitled to vote on the resolution.

Proxy Form	means the proxy form attached to this Notice.
Relevant Interest	has the meaning given in the Corporations Act.
Resolution	means a resolution set out in the Notice of Meeting.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share in the Company.
SGRF	has the meaning given in the Explanatory Statement.
SQM	has the meaning given in the Explanatory Statement.
Summit	has the meaning given in the Explanatory Statement.
Summit Transactions	has the meaning given in the Explanatory Statement.

Annexure

Option terms

- 1 Vesting
There are no vesting conditions applicable to the options.
- 2 Right to subscribe
Each option gives the optionholder the right to subscribe for one fully paid ordinary share (**Share**) in Elemental Minerals Limited (the **Company**).
- 3 Exercise Price
The exercise price for each option is A\$0.30 (**Exercise Price**).
- 4 Quotation
The options are unlisted and quotation of the options will not be sought.
- 5 Expiry
The options expire at 5:00pm on the date that is 3 years after the date that the options are issued (**Expiry Time**).
- 6 Time of exercise
The optionholder may exercise some or all options at any time until the Expiry Time.
- 7 Manner of exercise
The optionholder may exercise options (in parcels of at least 6,666 options unless the optionholder's holding is less than 6,666 options in which case the optionholder may exercise its entire holding) by forwarding to the Company at its registered office:
 - (a) the certificate for those options;
 - (b) an executed notice for the exercise of the options and specifying the number of options exercised; and
 - (c) payment of the Exercise Price for each option exercised.
- 8 Allotment of Shares
The Company must:
 - (a) issue to the optionholder the Shares to be issued on exercise of an option within five Business Days (as such term is defined in the ASX Listing Rules) of the date on which the notice of exercise was delivered to the Company; and
 - (b) provide a notice which complies with the requirements of sections 708A(5)(e) and 708A(6) of the Corporations Act (**Cleansing Notice**) to ASX on the date the Shares referred to in clause 5.8(a) are issued or, if the Cleansing Notice for any reason is not effective or if the Company cannot satisfy the requirements in order to give a Cleansing Notice, to ensure that an offer for sale of those Shares does not require disclosure to investors, then the Company must no later than thirty (30) days after the date of issue of those Shares lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of those Shares does not require disclosure to investors.
- 9 Ranking of Shares
Shares issued on exercise of an option are from the date on which the notice of exercise took effect to rank equally with the then issued Shares.
- 10 Quotation of Shares

The Company must apply for quotation of Shares issued on exercise of options.

11 Transfer

- (a) Subject to section 707 of the Corporations Act, the options may be transferred by the lodgement with the Company of:
 - (i) a duly executed transfer form; and
 - (ii) the certificate for the options.
- (b) An option transfer is not effective until the Company processes the transfer, updates the option register and issues a new option certificate to the new registered holder.

12 Notices of meeting

The Company must give the optionholder notices of general meetings (and financial reports required at those meetings).

13 Notice of Expiry Time

The Company must give the optionholder a notice at least 20 Business Days before the Expiry Time with the information required by the ASX Listing Rules.

14 Participation in new issues

- (a) The optionholder has no right or entitlement as the holder of an option, without exercising an option, to participate in new issues of shares offered to the Company's shareholders.
- (b) The Company must give the optionholder prior notice (in accordance with paragraphs 3 and 4 of Appendix 7A of the Listing Rules (as applicable)) of the new issue of Shares to enable the optionholder to exercise the options and participate in the new issue.

15 Pro rata issues

If there is a pro rata issue (except a bonus issue) of Shares, the Exercise Price reduces according to the formula in rule 6.22 of the ASX Listing Rules.

16 Bonus issues

If there is a bonus issue of Shares, the number of Shares over which an option is exercisable increases by the number of Shares which the optionholder would have received if the option had been exercised before the record date for the bonus issue.

17 Option terms on reorganisation of capital

If the issued capital of the Company is reconstructed, the option terms must be amended to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

18 Options to be reorganised on reorganisation of capital

Subject to rule 17:

- (a) in a consolidation of Shares, the number of options must be consolidated in the same ratio as Shares and the Exercise Price must be amended in inverse proportion to that ratio;
- (b) in a subdivision of Shares, the number of options must be sub-divided in the same ratio as Shares and the Exercise Price must be amended in inverse proportion to that ratio;
- (c) in a return of capital to shareholders, the number of options must remain the same, and the Exercise Price of each option must be reduced by the same amount as the amount returned in relation to each Share;
- (d) in a reduction of capital by cancellation of capital paid up on Shares that is lost or not represented by available assets where no Shares are cancelled, the number of options and the Exercise Price of each option must remain unaltered;

- (e) in a pro rata cancellation of Shares, the number of options must be reduced in the same ratio as the Shares and Exercise Price of each option must be amended in inverse proportion to that ratio; and
- (f) in any other case where the Shares are reorganised, the number of options or the Exercise Price, or both, must be reorganised so that the optionholder will not receive a benefit that holders of Shares do not receive.

19 Approval under the Corporations Act

If the optionholder elects to exercise some or all of its options and the exercise of such options would cause the Investor (or any of its Related Bodies Corporate) to contravene section 606 of the Corporations Act, the Investor may request the Company to, and the Company must, at its next general meeting of Shareholders, do all things reasonably necessary to seek the approval of its Shareholders to the issue of Shares to the Investor as a result of the exercise of the options for all purposes, including pursuant to item 7 of section 611 of the Corporations Act.

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PROXY FORM

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Email Address:

Contact Name (if different from above):

Step 1: Appointment of Proxy

I/We being a Shareholder/s of Elemental Minerals Limited and entitled to attend and vote hereby appoint

The Chairman of the meeting (mark with an 'X') **OR**

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Elemental Minerals Limited to be held at the Indaba Hotel, William Nicol Drive & Pieter Wenning Road, Fourways Johannesburg, South Africa on 20 October 2016, at 4.00 pm (AWST) and at any adjournment of that meeting.

Chairman to vote undirected proxies in favour: I/we acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of each of the proposed Resolutions (to the extent permitted by law).

Step 2: Voting directions to your proxy – please mark to indicate your directions

Special Business		For	Against	Abstain*
Resolution 1	Approval for the issue of Shares and Options to the Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for the issue of Shares and Options to David Hathorn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for the issue of Shares and Options to Sean Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll. Appointment of a second proxy (see instructions attached).

- If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

PLEASE SIGN HERE This section must be signed in accordance with the instructions attached to enable your directions to be implemented

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint Shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on 08 9463 2495 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the Shareholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate can be obtained from the Company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. i.e. no later than 4.00pm (AWST) on Tuesday, 18 October 2016. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Level 3, 88 William Street, Perth Western Australia 6000 or sent by facsimile to the registered office on (08) 9463 2499 or by email to the registered office on leonard.math@elementalminerals.com.