

9 September 2014

Dear Option holder,

NON-RENOUNCEABLE ENTITLEMENT ISSUE

Elemental Minerals Limited (ACN 108 066 422) (**Company**) is proposing a non-renounceable pro rata entitlement issue of 1 new share for every 6 existing shares held as at 7:00pm (AEST) on 23 September 2014 (**Record Date**), at an issue price of \$0.18 per new share with 3 free attaching new options (exercisable at \$0.25 within 15 months of issue) for every 2 new shares issued (**Entitlement Issue**).

Offers under the Entitlement Issue will be made under a prospectus to be lodged with ASIC and will be available on the ASX's and the Company's websites shortly. Further information on the Entitlement Issue will be set out in the prospectus which will be dispatched to eligible shareholders soon after the Record Date.

The purpose of this letter is to give you notice that if you wish to participate in the Entitlement Issue with respect to your options, you must exercise your options before the Record Date by delivering an option exercise notice together with the correct monies to the Company's share registry, Advanced Share Registry Services, by no later than the Record Date. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date.

If you do not wish to participate in the Entitlement Issue (in respect of your options) you do not need to take any action. The exercise price of your options may, depending upon the terms, be reduced in accordance with Listing Rule 6.22.2. The Company will announce the reduced exercise price following the Entitlement Issue.

Before deciding whether to exercise all or any of your options, you should consult with your professional adviser.

Eligible shareholders wishing to acquire securities under the Entitlement Issue will need to complete the personalised entitlement and acceptance form that will accompany the prospectus.

Yours sincerely



LEONARD MATH
Director & Joint Company Secretary