elemental minerals limited

Elemental Minerals Announces an Exploration Target for the High Grade Sylvinite Hangingwall Seam at the Yangala Prospect

Perth, Australia, 27 January 2015 – Elemental Minerals Ltd. (ASX: ELM) ('Elemental' or 'the Company') is pleased to announce it has developed an Exploration Target for the high grade sylvinite[1] Hangingwall Seam (HWS) at the Yangala Prospect (Yangala), part of the company's 97% owned Sintoukola Potash Project in the Republic of Congo (RoC). Yangala is 15km southwest of the Company's 573 Mt (Measured and Indicated Resource) Kola sylvinite deposit[2] and adjacent to the Company's 1.29 Bt (Inferred Resource) Dougou carnallitite deposit[3].

The potential quantity and grade of an Exploration Target is conceptual in nature and is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Highlights

- An Exploration Target for the HWS at Yangala has been delineated of between 235 to 470 million tonnes (Mt) grading between 55% and 60% KCl (35% to 38% K_2O)[4].
- The HWS is a candidate for the worlds highest grading potash seam and Elemental plans to begin drilling aimed at defining a maiden Mineral Resource in June 2015.
- Previously reported boreholes ED_01[5] and ED_03[6] are on the eastern side of Yangala; both with HWS intersections of 57% to 60 % KCl and between 4.2 and 4.5 metres thick
- There is also potential for sylvinite of the Top Seam (TS), positioned above the HWS, to be present over a large portion of Yangala. In borehole ED_01 the TS graded 31.75% KCl over a 5.16 metre thickness.
- In both boreholes ED_01 and ED_03, insoluble content of the HWS sylvinite is very low (<0.2 % by weight). Seams are gently dipping (< 5 degrees).
- It is intended that the follow-up work at Yangala will be conducted in parallel with the planned Definitive Feasibility Study for the Kola sylvinite deposit and the ongoing Scoping Study[7] for the adjacent (Fig. 1 and 2) Dougou carnallitite[8] deposit, all within the Company's 97% owed Sintoukola Permit.

Commenting on the Exploration Target, Elemental's CEO, John Sanders, stated: *"We are very excited to have the opportunity to test a large area that has the potential to host a potash deposit grading 55 to 60% KCl. The Yangala Prospect is in addition to the Kola and Dougou deposits, and represents a further opportunity to grow our potash resource inventory, and highlights the potential of the Sintoukola licence to become a potash producing district of global significance".*

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[1] Sylvinite is a rock comprising predominantly of the primary potash mineral sylvite (KCl) and halite (NaCl).
[2] Announced 20 August 2012
[3] Announced 9 July 2014
[4] To convert KCl to K_2O divide by 1.5837
[5] Announced 4 September 2012
[6] Announced 20 October 2014
[7] Announced 10 November 2014
[8] Carnallitite is a rock comprising predominantly of the primary potash mineral carnallite ($KMgCl_3 \cdot 6H_2O$) and halite (NaCl).

Overview of Geology and the Exploration Target

Appendix 1 contains tables with drillhole potash intersections and positions. Appendix 2 contains a complete checklist of Assessment and Reporting Criteria in the format of Table 1 of the JORC code 2012 edition.

The Exploration Target is for the Yangala Prospect which occupies an area of approximately 10 by 15 kilometres, in the Western part of Elemental's Sintoukola Licence (Fig 1 and 2). The area is defined by a broad zone of undulating stratigraphy and overall elevation of the evaporite rocks forming a 'high' (Fig. 3), similar to the setting found at the Company's Kola sylvinite deposit. The 'high' is controlled by tilting and horst[9] development (Fig. 3). To the East of Yangala is the 1.29 billion tonne Dougou carnallitite deposit[10] (Fig. 1 and 2).

Elemental has drilled two boreholes in the Yangala Prospect; ED_01 and ED_03. Recently reported ED_03, returned HWS intersection of 59.48 % KCl (37.56 % K_2O) over a thickness of 4.21 metres, from a depth of 398.95 metres. ED_01 drilled in 2012 contained 4.47 metres grading 57.66 % KCl (36.41 % K_2O) from a depth of 421.93 and is located 1.4 kilometres to the east of ED_03 (Fig. 5). In both, the potash seam is close to horizontal and is entirely of sylvinite (Fig. 4). ED_01 was drilled as a 'twin-hole'[11] of historical hole K52.

The Yangala Exploration target tonnage range is based on a 3D model created for the HWS across the Yangala area, using a 1.0 to 4.0 kilometre spaced grid of seismic data and available drillhole data (Elementals drillhole ED_01 and ED_03, historic holes K39, K52, K65 and Yangala-1). Individual potash seams cannot be easily recognised in the seismic data, but it provides a framework for modelling stratigraphy and when 'tied' in with borehole data allows the interpretation of the extent of the potash layers.

Sylvinite is a high grade secondary potash rock type, formed by the leaching of magnesium chloride from pre-existing lower grade carnallitite, and is likely developed in certain portions of the Yangala Prospect and absent in others. Areas within or lateral to gentle undulations in the evaporite sequence, are most likely to host sylvinite. Areas of lowered stratigraphy (grabens or half-grabens[12]) are unlikely to host sylvinite, as is the case in historic holes EK39 and K62; both contained carnallitite HWS and TS (Table 1 of Appendix 1). Historic drillhole Yangala-1 contained several sylvinite layers but all were thinned due to the hole being drilled within a fault zone. These holes were drilled in the early 1960's without the more recent (largely 1980's) seismic data to guide exploration. In other areas the HWS is modelled as being absent due to its erosion where exposed at the top of the Salt Member of the evaporite sequence.

The upper tonnage target of 470 Mt may be achieved if at least 40% of the total of the Yangala Prospect area contains sylvinite HWS, whereas the lower limit of 235 Mt may be achieved if only 20% of the area contains sylvinite HWS. A density for sylvinite of 2.0 (tonnes/cubic metre) was used in calculations and an average thickness of the HWS of 4.2 metres. The HWS at Yangala is modelled at depths of approximately 350 to 600 metres below surface.

In addition to the HWS, it is likely that sylvinite Top Seam (TS) may be present though no target range has been defined for this seam, which is located 12 to 15 metres above the HWS (Fig. 5). In drillhole ED_01 the TS graded 31.75% KCl over a 5.16 metre thickness[13]. In drillhole ED_03 it is not preserved being close to the top of the evaporite rocks (Fig. 5).

Further Work

The planned follow up programme is aimed at testing the Exploration Target, to take place in two phases of drilling. Phase 1 to step-out from ED_01 an ED_03 on a 1-2 kilometre grid, along strike and in the perpendicular direction. This programme will be comprised of 4-5 drillholes and is planned to commence late Q2 2015 and take 4 months to complete. Holes will be between 450 and 600 metres depth. Phase 2 may be implemented if Phase 1 gives positive results, comprising a larger programme (upwards of 10 drillholes) with the intention of delineating a

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[9] A horst is an area where rocks are relatively elevated, bound by normal faults.
[10] Announced 9 July 2014
[11] Twinhole is a hole drilled close to an older hole to validate data in the latter
[12] A graben is an area where rocks are relatively lowered, bound on both sides by normal faults. A half-graben is an area of tilted and lowered ground bound on one side by a normal fault.
[13] Announced 4 September 2012

resource of a size indicated by the Exploration Target. For Measured Resources additional seismic data would be required, on a minimum 200 metre line spacing. Whether new seismic data will be required for Indicated Resources is uncertain at this stage.

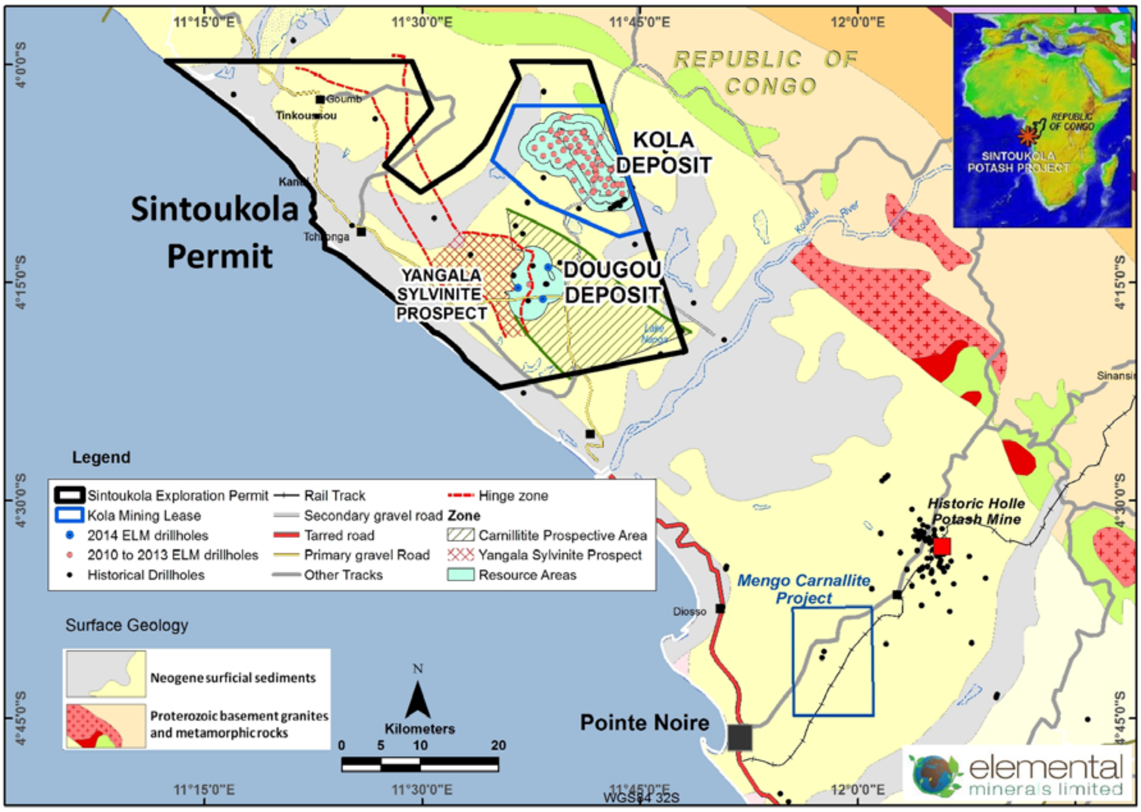

Figure 1. The Sintoukola Exploration Permit and the location of the Yangala Sylvinite Prospect

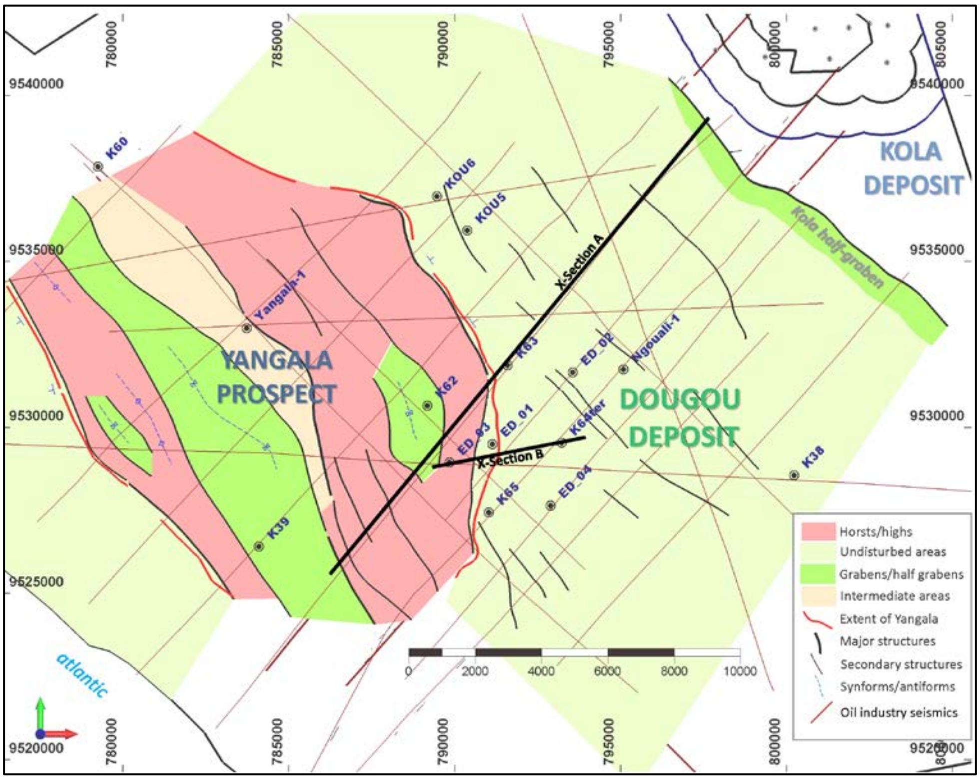

Figure 2. The Yangala Prospect and adjacent Dougou Deposit with simplified structural interpretation. A large part of Yangala is affected by areas of relative elevation of stratigraphy created by horst formation and tilting with adjacent graben and half-graben development. Elevated areas and areas (0.5 to 1.0 km) adjacent to them have the greatest potential to host sylvinite, as is the case for ED_01 and ED_03.

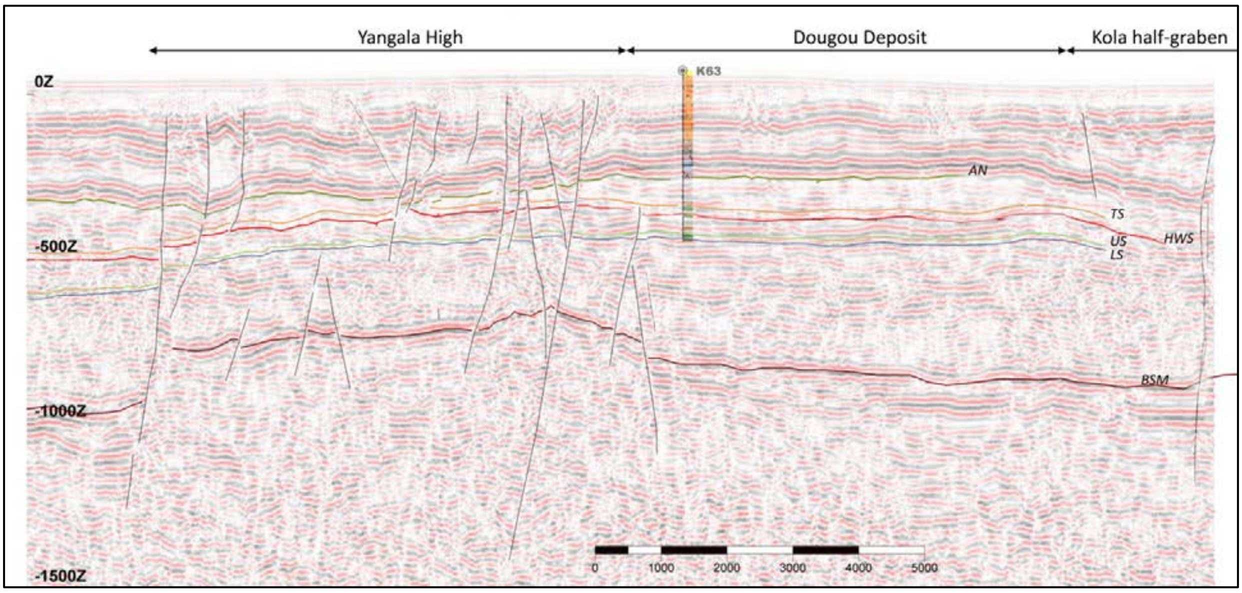

Figure 3. Interpreted SW-NE cross section (line A on figure 2) through a portion of the Yangala Prospect and also adjacent Dougou Deposit with a 5:1 vertical exaggeration. The relative disturbance of the stratigraphy of Yangala is evident, on this section a broad elevated horst (or high). AN = base of anhydrite member, TS = Top Seams, HWS = Hangingwall Seam, US = Lower Seam, LS = Lower Seam, BSM = Base Salt member. Mineralogy of the potash seams are not indicated.

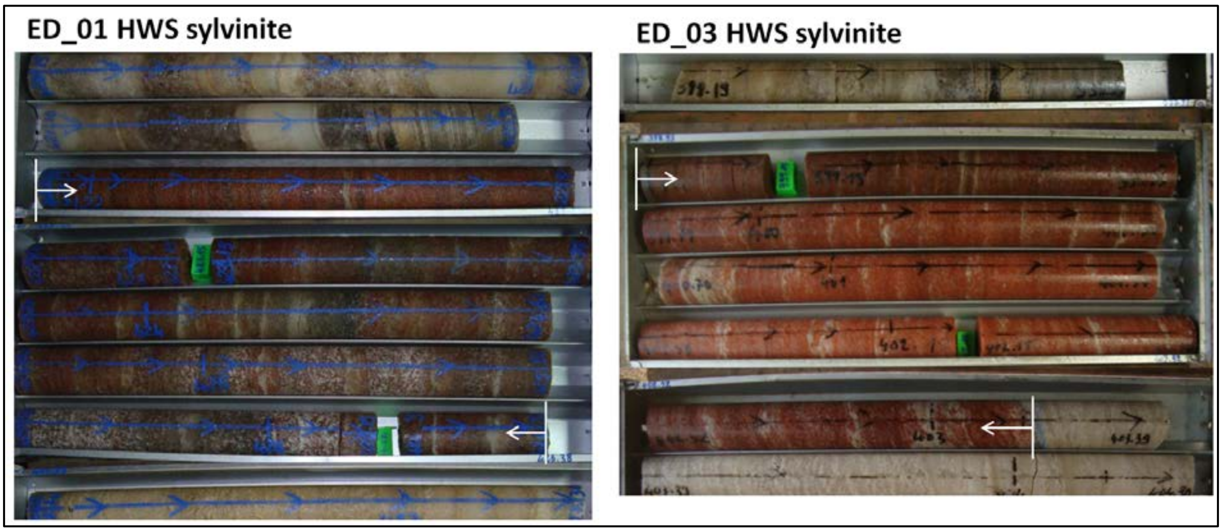

Figure 4. Left: HWS sylvinite of ED_01 grading 57.66 % KCl over 4.47 metres. Right: HWS sylvinite in ED_03 grading 59.48 % KCl over 4.21 metres. Note excellent core recovery and horizontal layering throughout both. Narrow layering in the halite immediately above the sylvinite can also be correlated between holes. These intersections are approximately 1.4 kilometres apart.

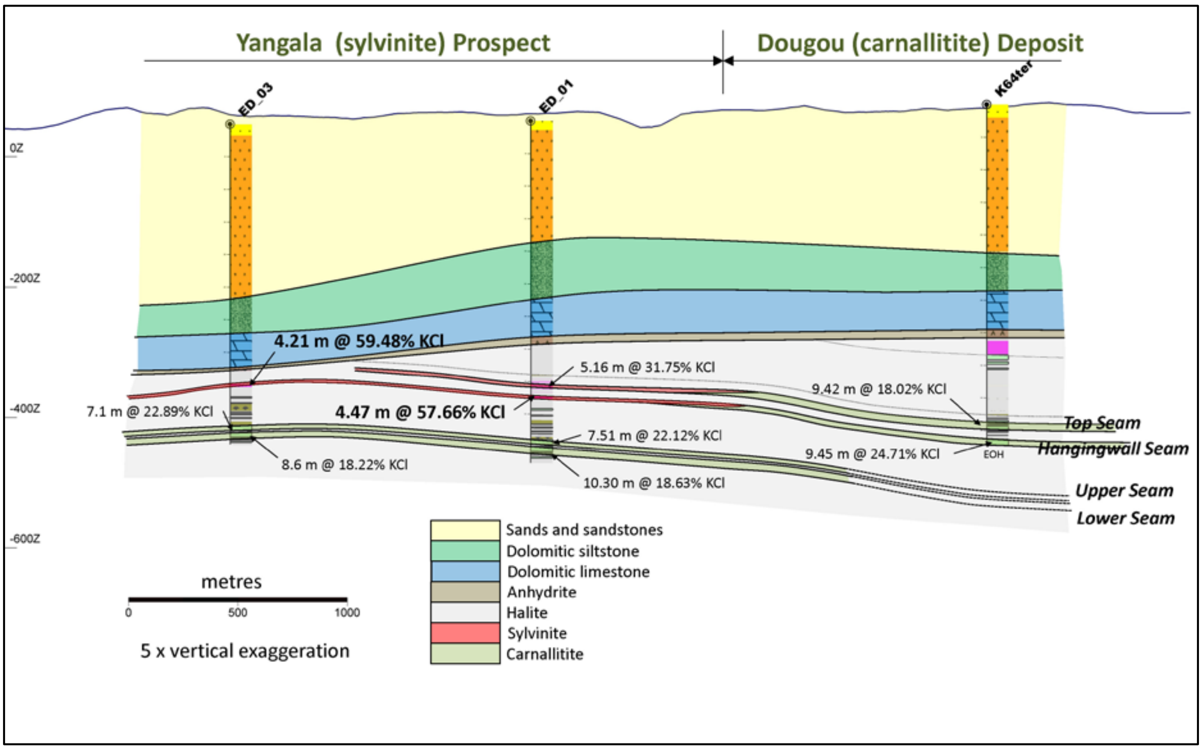

Figure 5. Cross-section (X-Section B on figure 2) through a small portion of the Yangala prospect, and adjacent Dougou deposit showing the interpretation of the sylvinite Hangingwall Seam and Top Seam intersected in ED_01 and ED_03. All intersections are previously reported.

Competent Person Statement:

The Information in this report that relates to Resource Estimation and Exploration Results is based on information compiled by Mr. Andrew Pedley, Elemental's Chief Geologist and a full-time employee of the Company. Mr. Pedley is a member of the South African Council for Natural Scientific Professions (SACNASP) being a registered Professional Natural Scientist in the field of Geological Science. Mr. Pedley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr. Pedley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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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, 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.

APPENDIX 1.

*Table 1. Potash intersections of all drillholes within the Yangala Prospect. Holes are marked on figure 2 of the announcement. All intersection are considered true thickness. Those of sylvinite are highlighted.ED_01 was drilled as a twin hole of K52. * Yangala-1 was drilled into a structure so seam thicknesses are uncertain and therefore not reported.*

Drillhole	Drilled by	Seam	From depth (m)	To depth (m)	Thickness (m)	Mineralogy	Grade KCL (%)
ED_01	Elemental Minerals	TS	403.98	409.14	5.16	sylvinite	31.75
ED_01	Elemental Minerals	HWS	421.93	426.4	4.47	sylvinite	57.66
ED_01	Elemental Minerals	US	488.42	495.93	7.51	carnallitite	22.13
ED_01	Elemental Minerals	LS	499.48	507.15	7.67	carnallitite	19.87
ED_02	Elemental Minerals	HWS	398.95	403.16	4.21	sylvinite	59.48
ED_02	Elemental Minerals	US	462.82	469.92	7.1	carnallitite	22.89
ED_02	Elemental Minerals	LS	473.23	481.83	8.6	carnallitite	18.22
K52	MDPA	TS	406.15	411.02	4.87	sylvinite	31.88
K52	MDPA	HWS	423.55	427.16	3.61	sylvinite	57.54
K52	MDPA	US	490.75	498.47	7.72	carnallitite	22.054
K52	MDPA	LS	502.78	509.72	6.94	carnallitite	18.465
K62	MDPA	TS	440.41	445.73	5.32	carnallitite	19.09
K62	MDPA	HWS	455.42	462	6.58	carnallitite	24.33
K62	MDPA	US	501.94	507.83	5.89	carnallitite	19.74
K62	MDPA	LS	509.51	513.78	4.27	carnallitite	18.57
K39	MDPA	TS	615.05	623.28	8.23	carnallitite	19.14
K39	MDPA	HWS	634.63	642.33	7.7	carnallitite	24.93
K39	MDPA	US	690.86	695.12	4.26	carnallitite	18.8
K39	MDPA	LS	697	701.04	4.04	carnallitite	19.02
Yangala-1	SPAFE	numerous narrow sylvinite seams between 619 to 674 metres*					

Table 2. Position of drillholes within the Yangala Prospect. All are UTM 32S WGS 84 datum

Drillhole	Easting (m)	Northing (m)	Elevation (masl)	Final depth (m)	Survey
K62	789179.19	9530654.37	59.79	531.0	ELM DGPS
ED_01	791144.84	9529490.69	55.29	525.2	ELM DGPS
ED_03	789848.75	9528941.24	62.94	492.2	ELM DGPS
K52	791162.76	9529488.69	56.57	1050.0	MDPA survey
K39	784113.75	9526408.70	66.80	1221.8	MDPA survey
Yangala-1	783735.67	9532984.57	102.57	1110.6	MDPA survey

APPENDIX 2. Checklist of Assessment and Reporting Criteria in the format of Table 1 of the JORC code 2012 edition

Section 1 - Sampling Techniques and Data

JORC Criteria	JORC Explanation	Elemental Commentary
SAMPLING TECHNIQUES	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Elementals sampling was carried out according to a strict quality control protocol beginning at the drill rig. Holes were drilled to PQ size (85 mm diameter) core. Sample intervals were between 0.2 and 1.0 metres and sampled to lithological boundaries and of half-core. Figure 4 in the announcement shows typical core from a potash interval. • Core was cut using an Almonte© core cutter without water and blade and core holder cleaned down between samples. • Sampling and preparation was carried out by Elemental's trained geological and technical employees. • There is no description of the sampling methodology for the historic holes (K39, K62, K52). Oil well Yangala-1 was not sampled so the interpretation of the sylvinite seams is from gamma data in this hole which provides a reliable indication of the presence of potash, thickness and mineralogy (carnallitite or sylvinite) • Samples were individually bagged and sealed.
DRILLING TECHNIQUES	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Elemental and historic holes were drilled by rotary Percussion through the 'cover sequence' then PQ (85 mm diameter and 89 mm for historic holes) diamond coring within the evaporite host rocks. Coring was by conventional diamond drilling methods with the use of tri-salt (K, Na, Mg) mud.
DRILL SAMPLE RECOVERY	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. .*	• Core recovery in Elemental drillholes is over 99% for all potash intersections. Core is full width and when checked against drillers data there are no sections missing. • Recovery data is not available for all historic boreholes. Those that are available report >99% recovery for the potash intervals. The use of tri-salt (Mg, Na, and K) chloride brine to maximize recovery was standard. Elemental employed a fulltime mud engineer to maintain drilling mud chemistry and physical properties.
LOGGING	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • The total length and percentage of the relevant intersections logged.	• The entire length of the boreholes were logged in detail, from rotary chips in the 'cover sequence' and core in the evaporite. Logging is qualitative and supported by quantitative data (assay and gamma) where required. • The top and base of the potash seams is a distinct lithological boundary easily visible in core (Fig. 4 of the announcement) and on the historic logs; the change from potash to halite (or vice versa) is abrupt (< than 50 millimeters) and is also reflected in the assay data (Fig 1 of this Appendix). • Downhole geophysical logging was completed for Elemental drillholes, to provide detailed information used to cross-reference lithology, mineralogy, geochemical assay data, and to check depths of the core. Geophysical wireline logging conducted included; gamma-ray, density, resistivity, porosity, 3-arm caliper and full-wave sonic. • Core was photographed to provide an additional reference for checking contacts at a later date.

JORC Criteria	JORC Explanation	Elemental Commentary
SUB-SAMPLING TECHNIQUES AND SAMPLE PREPARATION	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• (85 mm diameter) half-core samples were submitted to the laboratory. At the laboratory samples were crushed using a Boyd crusher to -2mm then divided using a rotary splitter prior to obtain a sample of 500 grams. The remaining crushed material is stored. • The sample size is probably larger than required due to the massive non-'nuggetty' nature of the material and this is supported by duplicate (QA-QC) data. Samples are representative of the material being sampled. • There is no record of techniques for historical drillholes.
QUALITY OF ASSAY DATA AND LABORATORY TESTS	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples from Elementals drilling were processed and analysed by accredited laboratory Intertek-Genalysis, Perth, Australia. Analyses and methods used are given in Table 1 of this Appendix. For all samples Loss on drying by Gravimetric Determination (LOD/GR) was competed. • All analyses are considered to be 'Total'. (see Table 1 below) *TABLE 1. Methods of analyses and lower detection limits. SWs/OE: Water Extraction to determine soluble species then analyzed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. SWs/GR: Water Extraction to determine soluble species and analyzed by Gravimetric Technique. SWs/VOL: Water Extraction to determine soluble species and analyzed by Volumetric Technique. SGP/PYC: Analyzed by Instrumental Technique using a gas displacement Pycnometer.* • Blanks, field duplicates, standards were submitted within each batch at an interval of between 12 to 20 'original' (normal) samples for each QA-QC sample type. All QA QC data was assessed. Batch 1281.0/1410023 was initially 'failed' de to standard performance so was reanalysed. • Following the repeat of analyses for 1281.0/1410023 QA-QC data suggests acceptable levels of accuracy and precision for sampling and analyses for Elementals drillholes; for K, Mg, Na and Cl.
VERIFICATION OF SAMPLING AND ASSAYING	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Boreholes K39 , K62. K52 were drilled by Mines de Potasse d' Alsace S.A (MDPA) during the late 1960's and early 1970's. No QA-QC data is available for these holes and no core is available for re-sampling. ED_01 was drilled in 2012 as a 'twin' of historic borehole K52, for verification purposes. • Geological logs for the historic boreholes are of a high standard and are accompanied by detailed descriptions of lithology, mineralogy and structure. Elementals borehole ED_01 geology compares very well with that of K52 as is illustrated in figure 1 of this Appendix. Contacts of the lithologies are abrupt and clear contributing to the consistency of the logging. Based on the excellent comparison, the MDPA geological data was therefore used without reservation and was converted to conform to Elemental's geological logging codes. • Only potassium data is available for the MDPA analyses, provided in the form of laboratory data sheets. Analyses were carried out by the MDPA 'Service Geologique et Gisement'. No description of the analytical method is available. From the company's work at Kola the comparison between MDPA data for potassium and Elementals analyses were excellent and a study of the data for K52 and twin hole ED_01 further supports the quality of the historic data.

	Method	Lower Detection
K	SWs/OE	0.10%
Mg	SWs/OE	20 ppm
Ca	SWs/OE	10 ppm
S	SWs/OE	10 ppm
Na	SWs/OE	0.10%
Insols	SWs/GR	0.10%
Cl	SWs/VOL	0.20%
density	SGP/PYC	0.01

JORC Criteria	JORC Explanation	Elemental Commentary
VERIFICATION OF SAMPLING AND ASSAYING CONT'D		• Figures 1 and 2 of this Appendix show a comparison of assay data for the important potash horizons in these holes. Grade and thickness are within 10% except for the HWS as the basal 1.64 metres in K52 is carnallitite whereas in ED_01 the seam is completely replaced by sylvinite; a geological difference not a reflection of data quality. The sylvinite grades for this seam are very similar (57.66 % versus 57.54 %) as are the grades for all carnallitite seams. • A further method of comparison of the assay data is provided by the grade x thickness (GT) data. Figure 2 below shows the GT comparison for all seams analyzed in K52 and ED_01. The correlation is excellent (R^2 of 0.991). In summary, the twin-hole data for Dougou coupled with the Company's work at Kola supports the use of the MDPA assay data for resource estimation without reservation. • Historic data was captured from hardcopy sheets into Excel then Access database. 100% of K data and sample depths was checked a second time. • All data is stored in an Access database by Elemental.

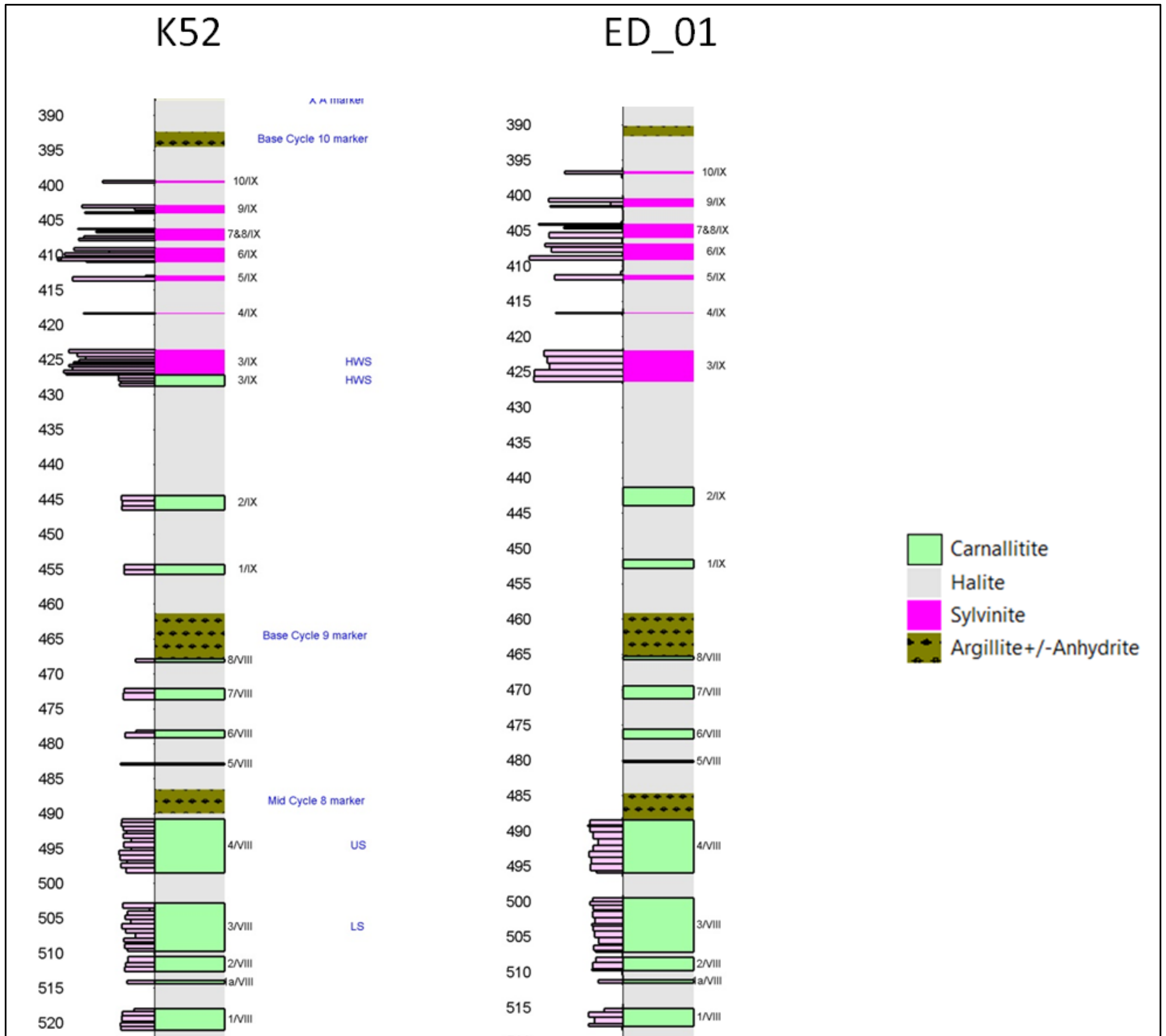

Figure 1. Comparison of geological intervals within cycle 8 and 9 of the Salt Sequence in historic borehole K52 and Elemental (twin) verification borehole ED_01. Holes are 30 metres apart.

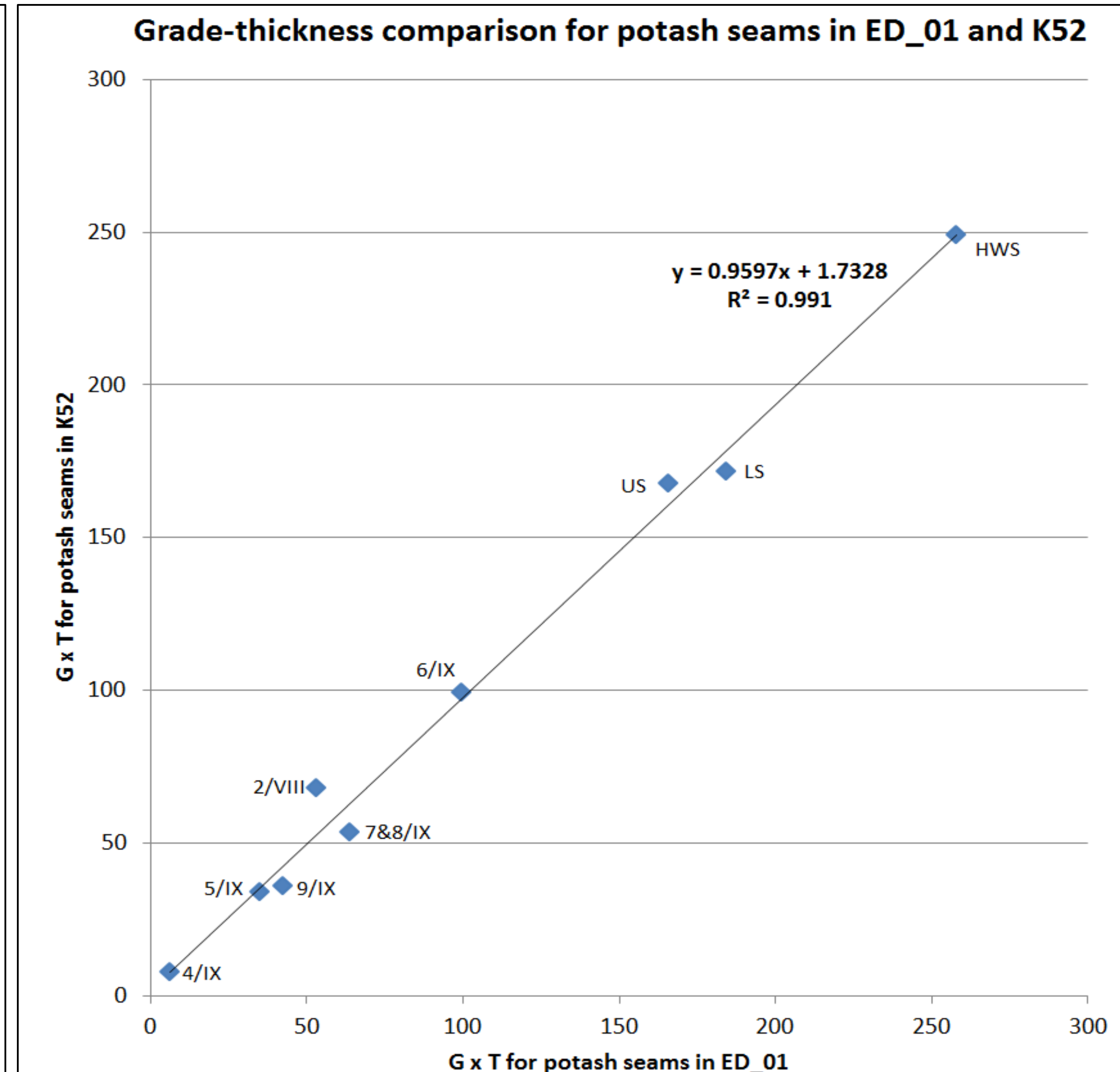

Figure 2. Comparison of grade x thickness (GT) for all potash seams analyzed, in historic hole K52 and twin hole ED_01. An excellent correlation and lack of bias is apparent, supporting the use of the MDPA assay data.

JORC Criteria	JORC Explanation	Elemental Commentary
LOCATION OF DATA POINTS	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Boreholes ED_01, ED_03, K62 were surveyed by Kirchhoff Professional Surveyors, and reported in UTM 32 S, WGS 84 datum and geoidal elevation. Relative accuracy between boreholes of 30 to 50 mm in X and Y and 50 to70 mm in elevation. Positions are provided in Table 2. • The other historical holes (K52, K39, Yangala-1) have not been resurveyed, the original surveyed coordinates were converted to WGS datum then located in the field with a handheld GPS within 5 metres of expected position. In additional support of the historic coordinates, those that have been resurveyed show very close position (within 5 metres). • ASTER DEM data was used for topography and is adequate for the purpose, given that the target is relatively deep and would be mined by underground methods.
DATA SPACING AND DISTRIBUTION	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• There are 6 drillholes at Yangala (Table 1 of Appendix 1) including K52 (the original holes twinned by ED_01). Holes are between 1.4 kilometres to over 6 kilometres apart. • There are insufficient drillholes for the estimation of Mineral Resources and drillhole spacing is too great. • For those intersections reported in Table 1 of Appendix 1, no sample compositing was applied. • Seismic lines are shown in figure 2 of the announcement and are on a nominal 1 to 4 km spaced grid, though the spacing and orientation is not consistent across the area.
ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Downhole survey data shows that hole inclination was consistently greater than 89 degrees (vertical being 90). All potash seams reported in this announcement are either horizontal or sub-horizontal (less than 5 degrees). The intersections in Table 1 of Appendix 1 are therefore considered true thickness. No bias in sampling is likely. • Mineralisation is not structurally controlled, it is hosted by subhorizontal sedimentary layers.
SAMPLE SECURITY	• *The measures taken to ensure sample security.*	• No information on sample security in storage or transport of the historic core is available. • Elemental drill core is stored in a locked core-shed at the Company's Sintoukola camp. During sampling and logging, the core is under full-time supervsion by the Company's geologists and technicians . • Samples were transported in locked containers, under close control by Elementals staff to Pointe Noire from where they promptly delivered to DHL couriers and shipped by air freight to the laboratory in Perth, Australia. • Half-core remains at the Kola core-shed is wrapped in plastic film and sealed tube bags, and within an air-conditioned room (17-18 degrees C) to minimize deterioration. Reject material remains in storage at Genalysis in Perth in case further analyses are required.
AUDITS OR REVIEWS	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the Exploration Target have been made

Section 2 - Reporting of Exploration Results

JORC Criteria	JORC Explanation	Elemental Commentary
MINERAL TENEMENT AND LAND TENURE STATUS	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The exploration permit (permits de recherche) is owned 100% by Sintoukola Potash S.A. Elemental holds a 97% shareholding in Sintoukola Potash S.A. • The permit was renewed in 2012 in accordance with decret n°2012-1193 on the 27th November 2012 for a further two years. The second (current) renewal for another 2 years was signed by the Minister of Finance and Minister of Mines during the Cabinet meeting on November 27th, 2014 and the publication to the Congolese Gazette is due. • There are currently no impediments to exploration on the permit. • The Yangala Prospect is entirely within the current exploration permit
EXPLORATION DONE BY OTHER PARTIES	• *Acknowledgment and appraisal of exploration by other parties.*	• Potash exploration was carried out in the area in the1960's by Mines de Potasse d' Alsace S.A (MDPA), including drillholes K62, K39., K52. Oil well Yangala-1 was drilled by SPAFE . • Elemental is in the possession of a large database containing the historical data and this information has been reviewed in detail. The data is of a high standard. • There are approximately 110 line kilometres of oil industry seismic data covering the Yangala Prospect (Fig. 2 of the announcement) for which Elemental has all SEG-Y data. Seismic data was acquired by oil exploration company's British Petroleum Congo and Chevron during the 1980's. Also data from a third vintage referred to as 'Coastal' carried out in 1980-81.
GEOLOGY	• *Deposit type, geological setting and style of mineralisation.*	• The Yangala Prospect and the potash deposits of the region are within the Congo Basin, which is the central portion of a larger basin referred to as the Aptian salt basin of equatorial West Africa. • A typical Stratigraphic column for the Yangala area is shown in figure 3 of this Appendix. • The Loeme Evaporite Formation is comprised of a 400 to 500 metre thick Salt Member overlain by a 10 to 20 metre thick Anhydrite Member. • Where complete or near complete, the Salt Member is comprised approximately (by volume); 30 percent carnallitite, 55 percent halite, 8-10 percent bischofite and 6-7 percent insoluble material, anhydrite and lesser carbonates. • 10 primary evaporite cycles (I to X) are recognized (by historic and current workers) within the Salt Member and each between 20 and 150 meters in thickness, referred to as I to X (from lowermost to uppermost). • Cycles V to VII have as many as 14 individual 0.5 to 4.0 m thick carnallitite layers interlayered with halite layers of similar thickness. • It is likely that the base of cycle 8 represents a significant change in the primary brine composition, thereafter the Salt Member is dominated by halite with fewer intervals of the magnesium and potassium salts; though where they do occur may be of significant thickness and purity. Figure 4 of this Appendix shows the vertical distribution of the potash layers and other main lithologies of Cycles 8 and 9, the latter hosts the HWS. • From base upwards these are the Lower Seam (LS), Upper Seam (US), Hangingwall Seam (HWS) and Top Seams (TS). These seams host the adjacent Dougou Resource. Sylvinite of the HWS in the principal target for the Yangala Exploration Target. • The HWS sylvinite mineralisation in ED_01 and ED_03 is a 4.2 to 4.5 m thick layer comprising 55 to 60 % sylvite and the remainder halite and very minor (<0.5%) combined anhydrite plus insoluble material. The upper and lower contacts of the seam are very abrupt and in these holes the seam is subhorizontal (<5 ° dip).

JORC Criteria	JORC Explanation	Elemental Commentary
GEOLOGY CONT'D		• The Yangala Prospect is defined by a 10 by 15 kilometres NW-SE striking zone of undulating stratigraphy and overall elevation of the evaporite rocks forming a 'high' (Fig. 3 of the announcement), similar to the setting found at the Company's Kola sylvinite deposit. The 'high' is controlled by tilting and horst development in the underlying rift sediments, which partially propagate upwards into the Loeme Evaporite Formation. • Sylvinite is a high grade secondary potash rock type, formed by replacement of carnallitite, and is likely developed in certain portions of the Yangala Prospect and absent in others. Areas within or lateral to gentle undulations in the evaporite sequence, are most likely to host sylvinite. Areas of lowered stratigraphy (grabens or half-grabens) are unlikely to host sylvinite, as is the case in historic holes EK39 and K62; both contained carnallitite HWS and TS. Historic drillhole Yangala-1 contained several sylvinite layers but all were thinned due to the hole being drilled within a fault zone. These holes were drilled in the early 1960's without the more recent (largely 1980's) seismic data to guide exploration. In other areas the HWS is modelled as being absent due to its erosion where exposed at the top of the Salt Member of the evaporate sequence.

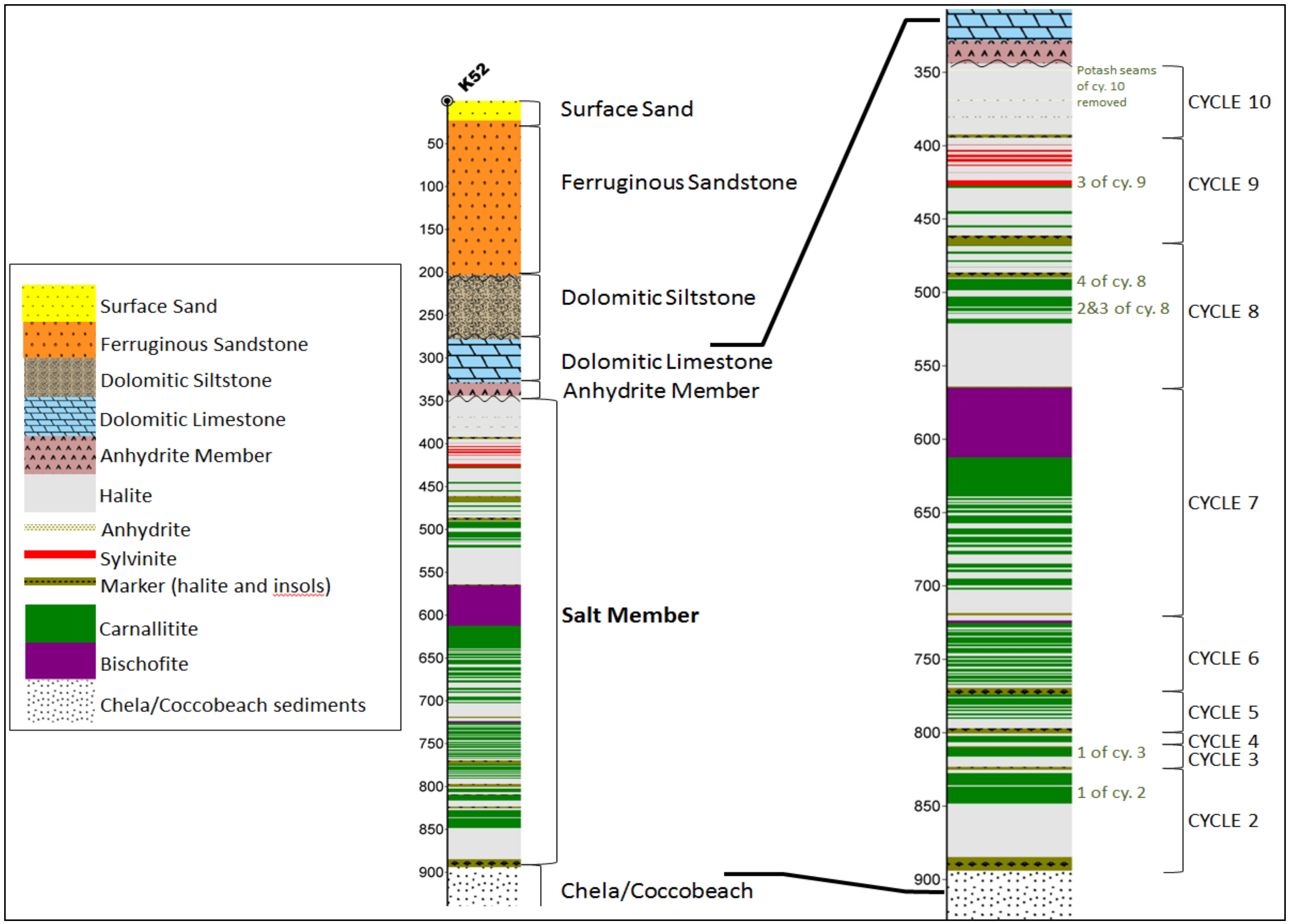

Figure 3. Geological log for historic borehole K52 (twinned by ED_01), showing stratigraphy of the Yangala area. A close-up of cycles 8 and 9 is shown in figure 4 (right).

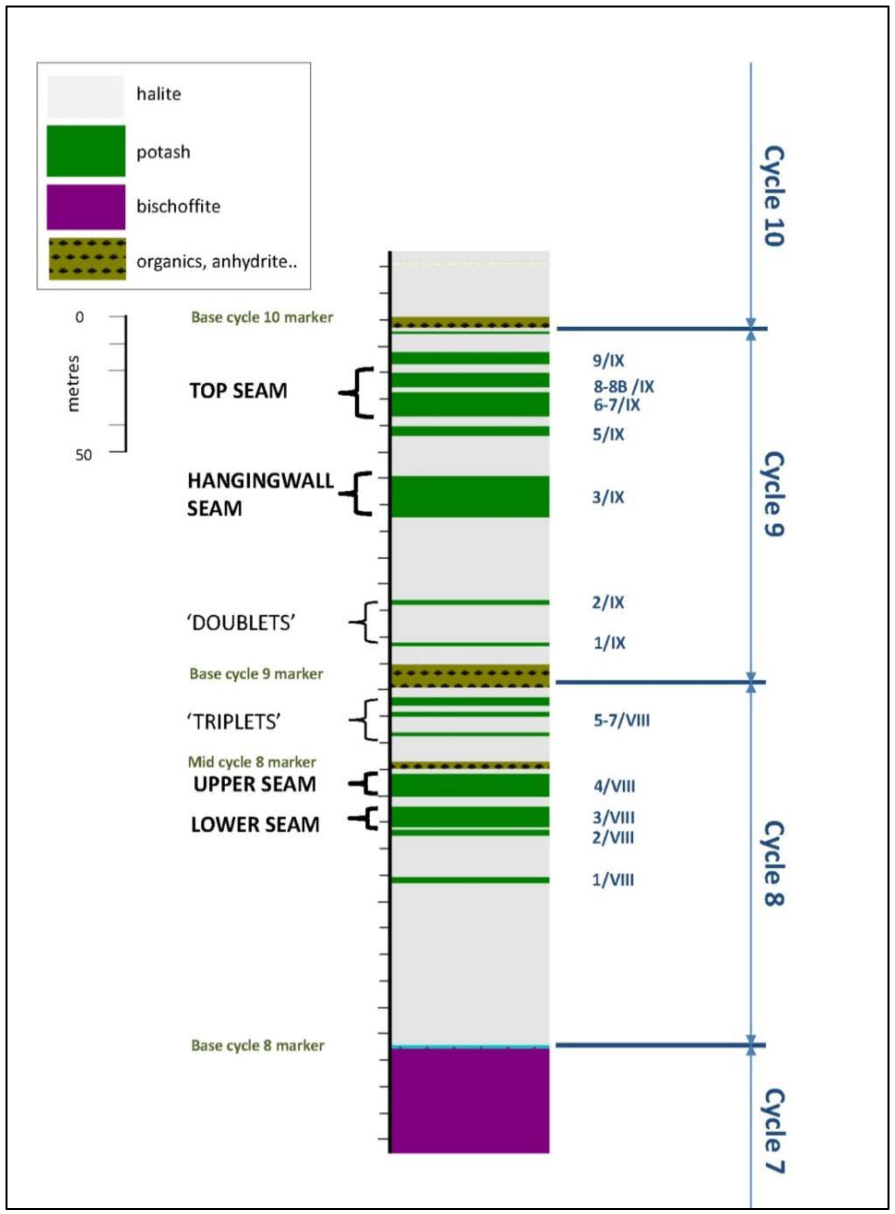

Figure 4. Main lithological units and potash layers of cycle 8 and 9. The principal target for the Exploration Target is the sylvinite Hangingwall Seam (HWS).

JORC Criteria	JORC Explanation	Elemental Commentary

DRILL HOLE INFORMATION	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ◦ *easting and northing of the drill hole collar*
	  ◦ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ◦ *dip and azimuth of the hole*
	  ◦ *down hole length and interception depth*
	  ◦ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Borehole collar positions are provided in Table 2 of Appendix 1, along with final depth. All boreholes were drilled vertically and no significant deviation was reported in drillhole surveys. Positions of the drillholes are shown in figure 2 of the announcement.
		• Table 1 of Appendix 1 provides the downhole length of the potash seam intersections (which is taken as an approximation of the true width of mineralization) within the Yangala Prospect.

DATA AGGREGATION METHODS	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The intersections in Table 1 of Appendix 1 were calculated by thickness-weighted averaging. No maximum or minimum grade truncation was applied as grades are within a narrow range. • There are no instances where there is a short length of high grade material reported within a long length of low grade material. • No metal equivalents were calculated.
RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The potash seams in all holes except for Yangala-1 are very close to being perpendicular to the core axis and therefore the intersection are taken as a close approximation of true width. • In Yangala-1, the angle if the potash layers relative to the core is unknown and may be at a high angle as the hole is interpreted to have been drilled close/within a fault. The thickness of these layers is therefore not reported in Table 1 of Appendix 1.
DIAGRAMS	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Table 1 of Appendix 1 provides all drillhole intercepts and Table 2 the collar positions. Figure 2 of the announcement provides a plan showing the location of the drillholes and seismic data in relation to the Exploration Target outline.
BALANCED REPORTING	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All exploration data is reported and has been considered in the generation of the Exploration Target

JORC Criteria	JORC Explanation	Elemental Commentary
OTHER SUBSTANTIVE EXPLORATION DATA	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All data that is meaningful to the announcement is presented. Density value used in the Exploration Target is derived from a large number of density measurements by the pycnometer method. The very low insoluble content of the HWS is also based on a large amount of analytical data.
FURTHER WORK	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The follow up programme would be aimed at defining a Mineral Resource for Yangala, to test the Exploration Target. This is planned to take place in two phases. Phase 1 to step-out from ED_01 an ED_03 on a 1-2 kilometre grid, along strike and in the perpendicular direction. This programme will be comprised of 4-5 drillholes and is planned to commence late in Q2 2015 and take 4 months to complete. Holes will be between 500 and 700 metres depth. Area • If intersections of sylvinite HWS are made, Phase 1 drilling may support an Inferred Resource but not of the size of the Exploration Target range. Phase 2 will be implemented if Phase 1 gives positive results, comprising a larger programme of upwards of 10 boreholes with the intention of delineating a resource of a size indicated by the Exploration Target. Such a programme would take 6 months to complete. • For Measured Resources additional seismic data would be required, on a minimum 200 metre line spacing. Whether they will be required for Indicated Resources is uncertain at this stage. Seismic surveying would likely be phased, with the initial phase taking place prior to Phase 2 drilling to assist with the planning of that work.