

5 January 2016

Dear Option Holder,

**Quotation of Listed Options (ELMO) Cease Trading Date**

Please be advised that quotation of your listed options (ELMO) expiring 15 January 2016 will cease at the close of trading on 8 January 2016.

If you decide to exercise your options, you should complete the option exercise form provided to you and send that together with your exercise monies to the Company's share registry by 15 January 2016, 5pm (WST):

Advanced Share Registry Services  
P O Box 1156  
Nedlands WA 6909

Attached below is a notice has been mailed out today to all ELMO option holders.

Yours sincerely,

A handwritten signature in black ink, appearing to read "L Math", is positioned above the typed name.

**Leonard Math**  
**Director and Joint Company Secretary**

6 January 2016

Dear Option Holder

**EXPIRY OF OPTIONS-ELMO**

You are the registered holder of the above mentioned listed options in Elemental Minerals Limited (**ELM**) expiring on 15 January 2016.

1. These options entitle you to acquire one fully paid ordinary share in the capital of ELM Ltd for each option you choose to exercise.
2. The exercise price of these options is 25 cents each (A\$0.25).
3. The due date for payment is 5.00pm WST on 15 January 2016 (**the due date**).
4. The market sale price of ordinary fully paid shares in ELM on Australian Securities Exchange (**ASX**) was 21 cents on the 4 January 2016, being the last trading day in ELM prior to the dispatch of this letter.
5. During the three months preceding the date of this notice the highest market sale price on ASX was 23.5 cents on the 27 November 2015, and the lowest market sale price was 16 cents on the 12 November 2015.
6. There is no obligation upon shareholders to exercise their options. However if payment is not received by the due date the options will lapse and all rights under the options will cease at that time.
7. The options will cease to be quoted on ASX from close of trading on 8 January 2016.

If you wish to exercise your options then you must complete an application for shares on exercise of options and forward it together with payment of 25 cents per option exercised to be received no later than 5.00pm WST on 15 January 2016 to the Company's share registry:

Advanced Share Registry Services  
P O Box 1156  
Nedlands WA 6909

Cheques should be drawn on an Australian Bank and made payable to **Elemental Minerals Limited** in Australian dollars only and should be crossed "not negotiable".

The Company encourages you to seek your own professional advice in deciding whether or not to exercise your options.

If you have any questions regarding the exercise of your options please contact Mr Leonard Math, Secretary (Tel: +61 8 9463 2495) or the share registry (Tel: +61 8 9389 8033).

Yours faithfully,  
for **ELEMENTAL MINERALS LIMITED**

Leonard Math  
**Non-Executive Director & Company Secretary**

**REGISTERED OFFICE**  
Level 3, 88 William Street,  
Perth WA 6000  
Phone: (08) 9463 2463  
Fax : (08) 9463 2499

# ELEMENTAL MINERALS LIMITED

ABN 31 108 066 422

INCORPORATED IN WESTERN AUSTRALIA

APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

ELMO

I/We \_\_\_\_\_

Securityholder Reference Number (S.R.N) / Holder Identification Number (H.I.N) \_\_\_\_\_

Contact Telephone Number \_\_\_\_\_

The registered holder(s) of the Options hereby exercise my/our Option for: \_\_\_\_\_  
In figures \_\_\_\_\_ In words \_\_\_\_\_

Ordinary Fully Paid Shares and enclose application money of \$0.25 per share \$.....  
(Amount payable on exercise)

I/We whose full name(s) and address(es) appear above hereby apply for the number of Shares shown above. I/We agree to be bound by the Constitution of the Company.

Signature Of Option holder(s) (All joint holders must sign)	Companies Only - Executed in accordance with the Company's Constitution and the Corporations Law.
<input checked="" type="checkbox"/> _____ Signature Date	<input checked="" type="checkbox"/> _____ Sole Director and Sole Secretary Date
<input checked="" type="checkbox"/> _____ Signature Date	<input checked="" type="checkbox"/> _____ Director Date Secretary Date
<input checked="" type="checkbox"/> _____ Signature Date	<input checked="" type="checkbox"/> _____ Director Date Director Date

**Note:** If signed under Power of Attorney, a Certified Copy of the relevant Power of Attorney document must be exhibited to the Registry. The Attorney declares that he/she has had no notice of revocation of the Power of Attorney.

## TERMS AND CONDITIONS OF OPTIONS

- Each Option entitles the holder to one Share.
- The exercise price of the Options is \$0.25 each.
- The expiry date of the Options is 15 January 2016.
- The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- The Options are transferable.
- The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- Otherwise than where notice is given under clause (f), within 15 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company, the Company will:
  - allot and issue the Shares pursuant to the exercise of the Options; and
  - apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options
- All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Options.
- There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company ("Bonus Issue"), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorized or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

Cheques should be made payable to **ELEMENTAL MINERALS LIMITED** and crossed "Not Negotiable" and drawn on an Australian Bank and posted to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909.

**NOTE: OPTIONS NOT EXERCISED BY 15 JANUARY 2016 WILL AUTOMATICALLY EXPIRE.**