



ELEMENTAL MINERALS REVIEW OF OPERATIONS FOR THE QUARTER ENDED 30 SEPTEMBER 2012

Perth, Australia – 31 October 2012 – Elemental Minerals Ltd. (ASX, TSX: ELM) ("Elemental" or "the Company") is pleased to provide the following quarterly update for activities at its Sintoukola Potash Project located in the Republic of Congo ("ROC").

ACTIVITIES

- One drillhole drilled during the quarter; ED_01 at the Dougou prospect.
- 409 drill core samples were prepared and sent to Genalysis in Perth for chemical analysis.
- Results for all remaining Kola Phase 2b drillholes received.
- Updated Mineral Resource estimate for the Kola deposit completed.
- First drillhole at Dougou confirmed excellent Hangingwall Seam sylvinite.
- The Prefeasibility Study was completed and filed as a NI 43-101 Technical Report with SEDAR.

Geology and Mineral Resources

Exploration Program: One drillhole (ED_01) was drilled during the quarter. ED_01 was drilled at the Dougou target, 15 kilometres southwest of Kola, to test the presence of a sylvinitic Hangingwall Seam (HWS) at this target, as identified on geological logs for nearby historic drillhole K-52. The HWS seam intersection in drillhole ED_01 returned 4.47 metres grading 36.41% K₂O (57.66% KCl), including an interval of 1.74 metres grading 39.91 K₂O (63.20% KCl), and also 3.93 metres grading 22.74% K₂O (36.01% KCl) from the newly identified Top Seam, developed 12 metres above the HWS. Collar details and results for ED_01 are provided in Tables 1 and 2.

No further drilling was completed at the Kola Deposit during the quarter. All sample analyses from the Phase 2b drilling at Kola were received during the quarter and intersections for these drillholes are summarised in Table 3.

Mineral Resource Update: On 21st August 2012, the Company announced an updated Mineral Resource estimate for the Kola Deposit. In the combined Measured and Indicated Mineral Resources category, a 38% increase in tonnage was achieved for sylvinite mineralisation, up from the previous Mineral Resource estimate (8th May 2012). A total Measured and Indicated Mineral Resource estimate of 573Mt of sylvinite mineralisation at an average grade of 20.92% K₂O (33.13% KCl) was reported. The Inferred sylvinite Mineral Resource increased by 82% from 261Mt to 475Mt at 20.39% K₂O (32.27% KCl). Table 4 shows the 21st August 2012 Mineral Resource estimate.

Sampling and Analyses: During the quarter 409 drill core samples (including 23 quality control samples) were prepared and sent to Genalysis in Perth for chemical analysis. Samples (PQ core diameter sizes) are split in half by a diamond saw cutting machine at the project site. The half split samples, each weighing from three to seven

kilograms, are collected at an interval of between 0.3 to 1.0 metre. Potassium, Sodium, Calcium, Magnesium, Chlorine, and Sulphur were analysed by ICP-ES. Routine international-standard QA/QC procedures were used by Genalysis. One of the six elements analysed is reported here: potassium (K) and its molecular equivalent of Potassium oxide (K₂O, by multiplication with a factor of 1.204). The detection limit for K is 0.001%.

Table 1. Summary information for drilling completed during the quarter.

Hole	East-WGS84 (m)	North-WGS84 (m)	RL (m)	Depth (m)	Azimuth	Dip	Assays
ED_01	791144.84	9529490.48	55.29	335.30	0	-90	Reported

Table 2. Dougou prospect drillhole intersections reported during the quarter.

Hole	Zone	From (m)	To (m)	True Width (m)	% K ₂ O	% KCl
ED_01	Top Seam	403.98	409.14	5.16	20.03	31.73
	<i>including</i>	405.21	409.14	3.93	22.74	36.01
ED_01	Hangingwall Seam	421.93	426.40	4.47	36.41	57.66
	<i>including</i>	424.66	426.40	1.74	39.91	63.20

Table 3. Kola deposit drillhole intersections reported during the quarter.

Hole	Zone	From (m)	To (m)	True Width (m)	% K ₂ O	% KCl
EK_39	Lower Seam	293.49	298.63	5.14	17.93	28.39
EK_39	Footwall Seam	343.03	345.44	2.59	15.18	24.04
EK_40	Lower Seam	279.14	284.32	5.18	20.81	32.95
EK_41	Lower Seam	267.38	269.92	2.54	14.41	22.82
EK_41	Footwall Seam	319.85	325.80	5.95	20.29	32.13
EK_42	Upper Seam	287.40	291.71	4.31	23.43	37.11
EK_42	Lower Seam	294.96	298.37	3.41	22.08	34.97
EK_43	Hangingwall Seam	222.58	225.69	3.11	37.80	59.86
EK_44	Lower Seam	231.65	235.5	3.85	20.24	32.05
EK_44	Footwall Seam	298.51	306.16	7.65	18.79	29.76
EK_45	Hangingwall Seam	196.48	200.23	3.75	34.20	54.15

Table 4. Mineral Resource Estimate for Sylvinite Mineralisation for the Kola Deposit at a 10% K₂O CoG, as announced August 21, 2012

	<i>Measured</i>			<i>Indicated</i>			<i>Inferred</i>		
	Tonnes (Mt)	% K ₂ O	% KCl	Tonnes (Mt)	% K ₂ O	% KCl	Tonnes (Mt)	% K ₂ O	% KCl
HWS							47	34.75	55.01
USS	171	22.45	35.54	159	22.04	34.89	96	21.78	34.48
LSS	93	19.22	30.42	150	19.06	30.17	107	19.14	30.30
FWS							225	17.63	27.92
Total	264	21.32	33.74	309	20.59	32.59	475	20.39	32.27

Notes:

1. An in-situ density of 2.07g/cm³ was applied for all sylvinite mineralisation and 1.70g/cm³ for carnallite mineralisation.
2. Zones of geological uncertainty have been excluded.
3. Table entries are rounded to the second significant figure.
4. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.
5. Insoluble contents for the resource were not estimated but are typically less than 0.3% for the HWS, US and LS and less than 2% for the FWS.

Geological Model: Gains in the understanding of the geological model have been made and have assisted resource modeling and exploration. Figure 4 shows an 8 kilometre long cross-section through the northern half of the Kola deposit. The section shows the four main seams and their stratigraphic position and the vertical and lateral distribution of the replacement of carnallite to sylvinite. It is thought that the replacement is controlled by the downward and lateral movement of brines, possibly centered on the wash-out zones.

Planning for Phase 3 Exploration: A drilling plan aimed at the extension and re-classification of the Kola HWS Mineral Resource is in the process of being prepared, comprising a maximum of eight drillholes on the northwestern portion of Kola. A maximum of five drillholes is also being considered for Dougou to follow up on the ED_01 intersection. Discussions are underway with seismic surveying contractors in preparation for possible additional 2D and 3D seismic surveys in 2013.

Prefeasibility Study

The study team consisting of Elemental Minerals owner's team, SRK Consulting, AMEC Americas, EGIS International and CSA Global have completed the PFS during September and filed the results as a NI 43-101 Technical Report with SEDAR. Study result highlights are:

- Project after-tax NPV₁₀ of US\$ 2.97bn, IRR of 29.3%
- Project pre-tax NPV₁₀ of US\$ 3.90bn, IRR of 31.3%
- Production cash costs of US\$ 79.71/t, FOB – in the lowest quartile of global production cost
- Total initial capital costs of US\$ 1.85bn
 - includes a weighted average contingency of 18%
 - includes infrastructure of US\$ 580m
- Pay-back from production start-up of 3 years
- Production of 2Mt per annum of Muriate of Potash ("MoP") from a conventional underground mine with a 23 year life of mine

Environmental and Social Impact Assessment: The dry season baseline assessment was completed which marked the end of the baseline assessment phase. Impact assessments and report writing are underway. The submission of the National ESIA and EMP report is scheduled for December 2012.

Definitive Feasibility Study (DFS): A second on shore geotechnical program was started during the quarter to investigate soil conditions over the complete project footprint. This program will be completed during November 2012 and will feed information into the DFS design. A 12 month metocean survey is currently underway to define meteorological and oceanographic conditions to be used in the ESIA and in the design of the marine facilities.

The planning phase of the Feasibility study, which will start in January 2013, is currently underway. A phase of Bridging studies was launched at the end of the PFS to address remaining open scope items and investigate optimization opportunities before the start of the DFS.

Local Context:

The Company is currently pursuing Memorandums of Understanding with various entities to secure power and gas to serve the project requirements.

A land commission was established in cooperation with the Ministry of Land which have started the process of land ownership investigation as part of the land acquisition process.

Strategic update

Further to the Company's announcement on 8 June 2012 detailing the commencement of a strategic review initiated by the Company's Board of Directors, the Company has together with BMO Capital Markets continued to seek to identify, examine and consider various strategic alternatives available to the Company with a view to maximizing shareholder value. This has included confidential discussions with a range of parties, a number of which are continuing. These discussions remain confidential and incomplete and no one proposal is sufficiently developed to be considered by the Company to be material. No definitive schedule has been set for the completion of this process. The Company will update the market if and when required to do so in accordance with its disclosure requirements. The Company cautions that there is no assurance or guarantee that the review process will result in any transaction or, if a transaction is undertaken, of the terms or timing of such a transaction.

- ENDS -

About Elemental Minerals

Elemental Minerals Limited is an advanced mining exploration and development company that aims to grow shareholder value through its 93%-owned Sintoukola Potash Project on the Republic of Congo coastline. Elemental Minerals is dual listed on the Australian Stock Exchange and the Toronto Stock Exchange under the symbol ELM. For more information, visit www.elementalminerals.com

Contacts:

<i>Iain Macpherson</i>	<i>John Sanders</i>	<i>Ilja Graulich</i>
<i>Chief Executive Officer</i>	<i>Executive Director</i>	<i>Investor Relations Manager</i>
<i>Tel: +27 (0) 76 238 4461</i>	<i>Tel: +27 (0) 82 445 5291</i>	<i>Tel: +27 (0) 83 604 0820</i>
iain.macpherson@elementalminerals.com	john.sanders@elementalminerals.com	ilja.graulich@elementalminerals.com

Johannesburg Office: +27 11 469 9140

Mineral Resource Summary – Kola Deposit of Sintoukola Project¹

¹ For a full description of the resource refer to the NI 43-101 Technical Report, dated 21 June 2012 available on SEDAR, www.sedar.com

- The Sintoukola Project's Kola deposit contains 1.32 Billion Tonnes Measured and Indicated Mineral Resources with an average grade of 15.65% K₂O (24.78% KCl), and Inferred Mineral Resources of 948 Mt grading 16.20% K₂O (25.64% KCl), at a 10.0% K₂O cut-off grade.
- Within such Mineral Resources, the sylvinite portion contains 573Mt with an average grade of 20.92% K₂O (33.13% KCl) within the Measured and Indicated category and 475Mt of Inferred Mineral Resources grading 20.39% K₂O (32.27% KCl).
- Four main potash mineralised seams are present within the Kola deposit and are identified in stratigraphic and chronological order as: Hangingwall Seam (HWS), Upper Seam (US), Lower Seam (LS), and the Footwall Seam (FWS). The depth to the top of the Upper Seam is within 250 to 320 metres from surface.
- Exploration at Kola has focussed on the Upper Seam and Lower Seams which contain the bulk of the Mineral Resources defined to date. The Hangingwall Seam which was discovered relatively recently contributes 47Mt at an average grade of 34.75% K₂O (55.01% KCl) to the Inferred Mineral Resources, and the Footwall Seam 225Mt grading 17.63% K₂O (27.92% KCl) also in the Inferred category.
- The Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 Edition (The JORC Code), which is consistent with Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards 2005 and hence complies with NI 43-101.

Competent Person / Qualified Person Statement:

Information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Simon Dorling, Mr Jeff Elliott and Dr Andrew Scogings of CSA Global Pty Ltd, the Company's geological consultants. Dr. Dorling, Mr. Elliott and Dr. Scogings are members of the Australian Institute of Geoscientists (MAIG) and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Dr. Dorling, Mr. Elliott and Dr. Scogings are also Qualified Persons for the purposes of Canadian National Instrument 43-101 and they consent to the inclusion in this report of the Information, in the form and context in which it appears. Mr. Elliott or Dr. Scogings have verified the exploration data disclosed in this news release.

Further information with respect to Elemental's Sintoukola Project is contained in a technical report entitled "NI 43-101 Technical Report, Sintoukola Potash Project, Republic of Congo" prepared by SRK Consulting (U.S.), Inc., CSA Global Pty Ltd., EGIS International and AMEC Americas, for the Company dated September 17, 2012 with an effective date of September 17, 2012 (the "Technical Report"). The Technical Report can be accessed on the Company's profile on SEDAR.

Forward-Looking Statements

This report 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.

Figure 1: Location of Sintoukola Potash Project

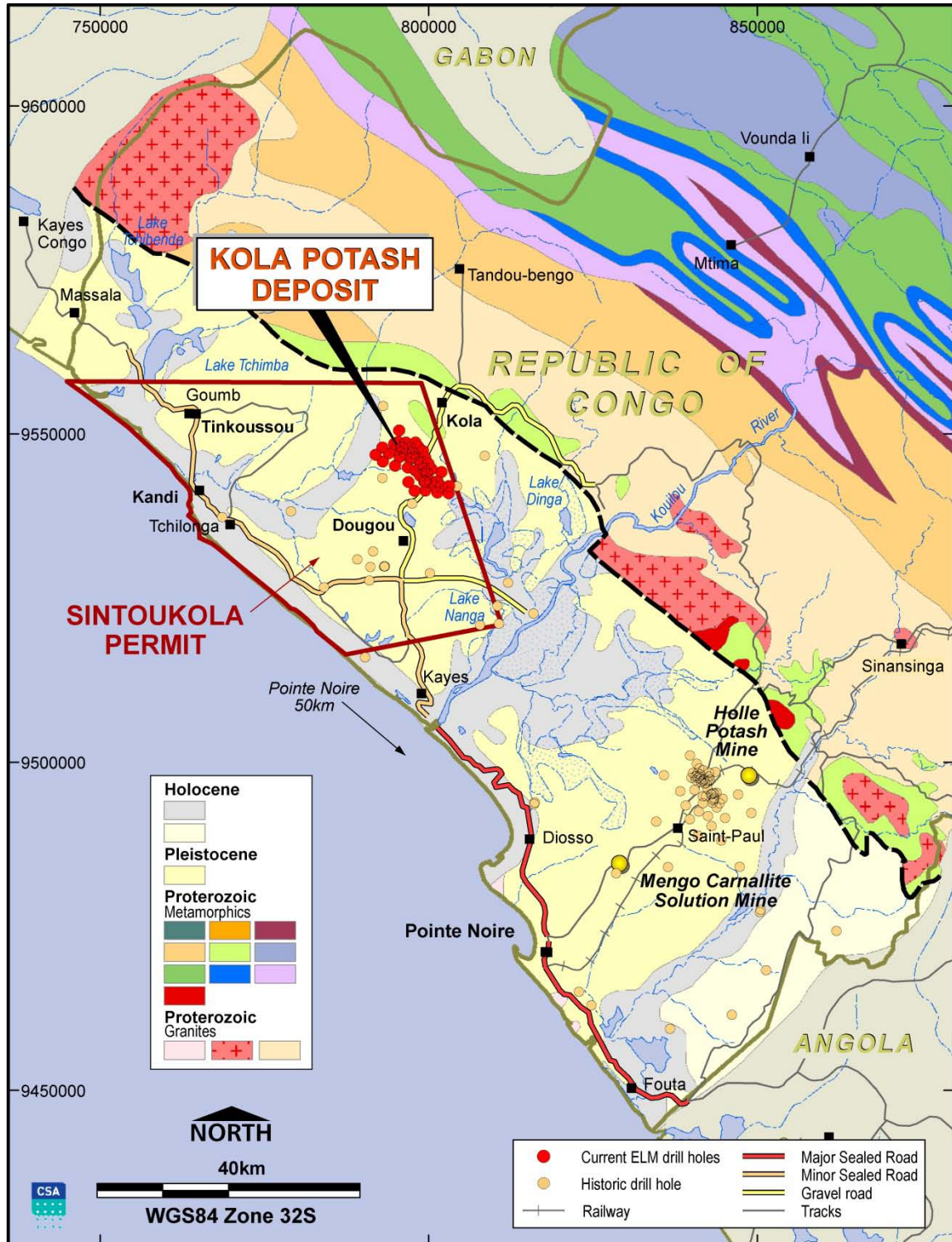


Figure 2: Kola deposit showing all drillholes drilled to date and the August 2012 Mineral Resource Classification outlines for the Upper and Lower Seams.

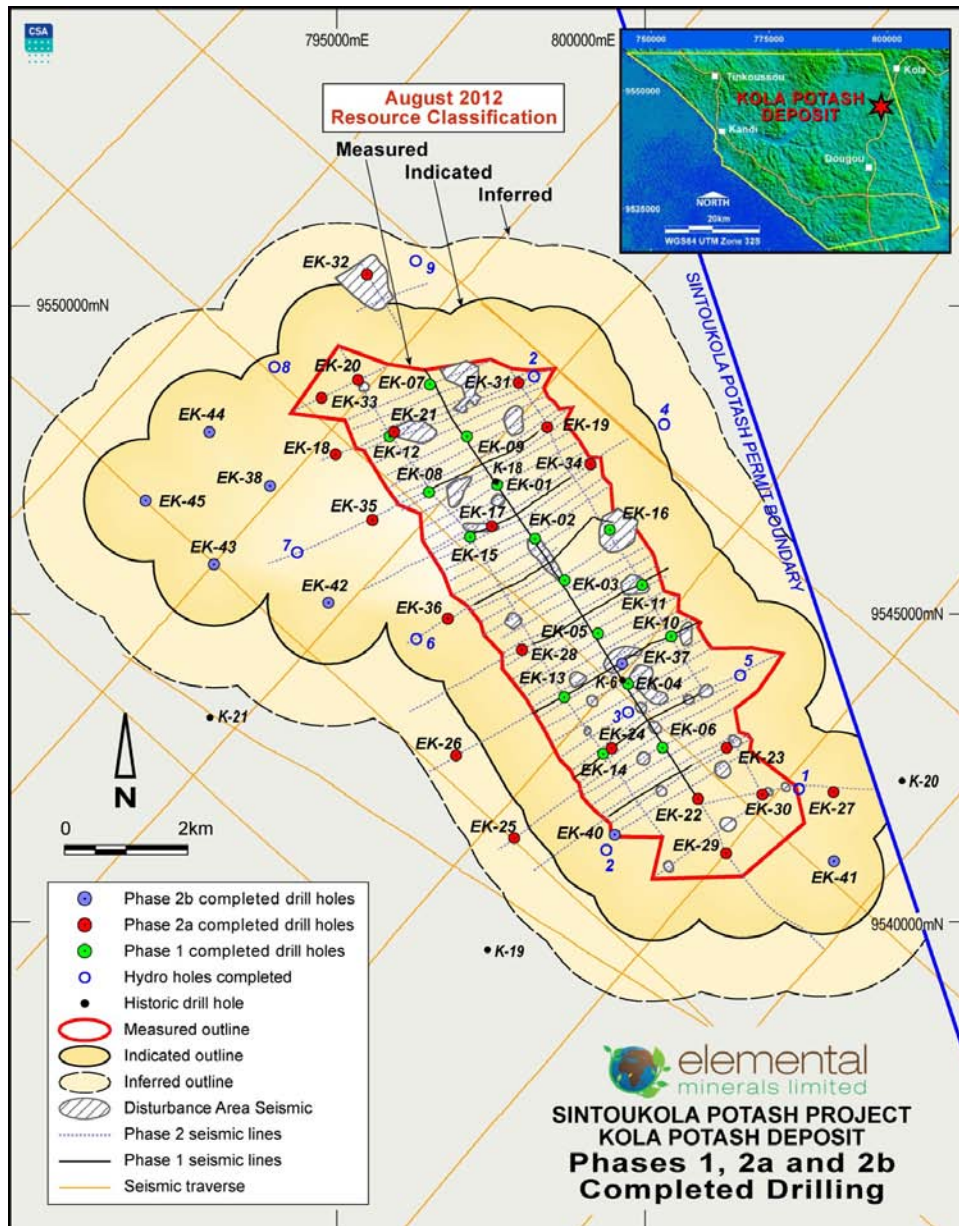


Figure 3: Correlation between the ED_01 intersections and those of EK_43 at Kola.

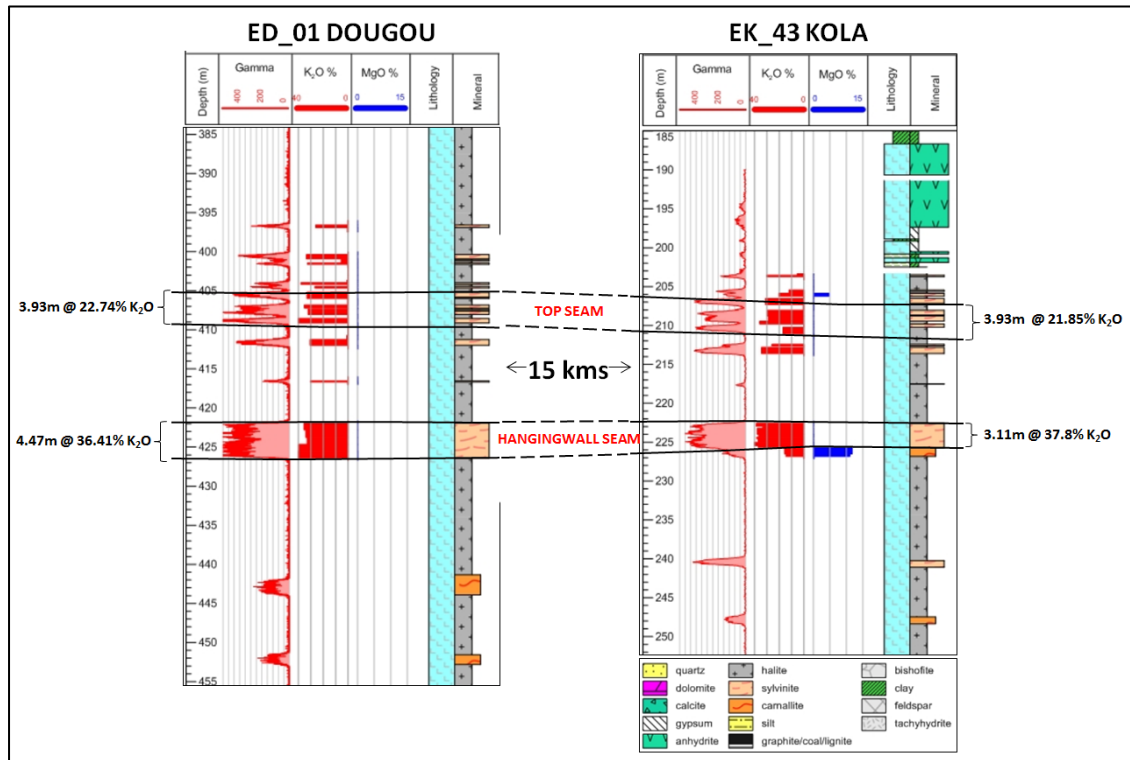
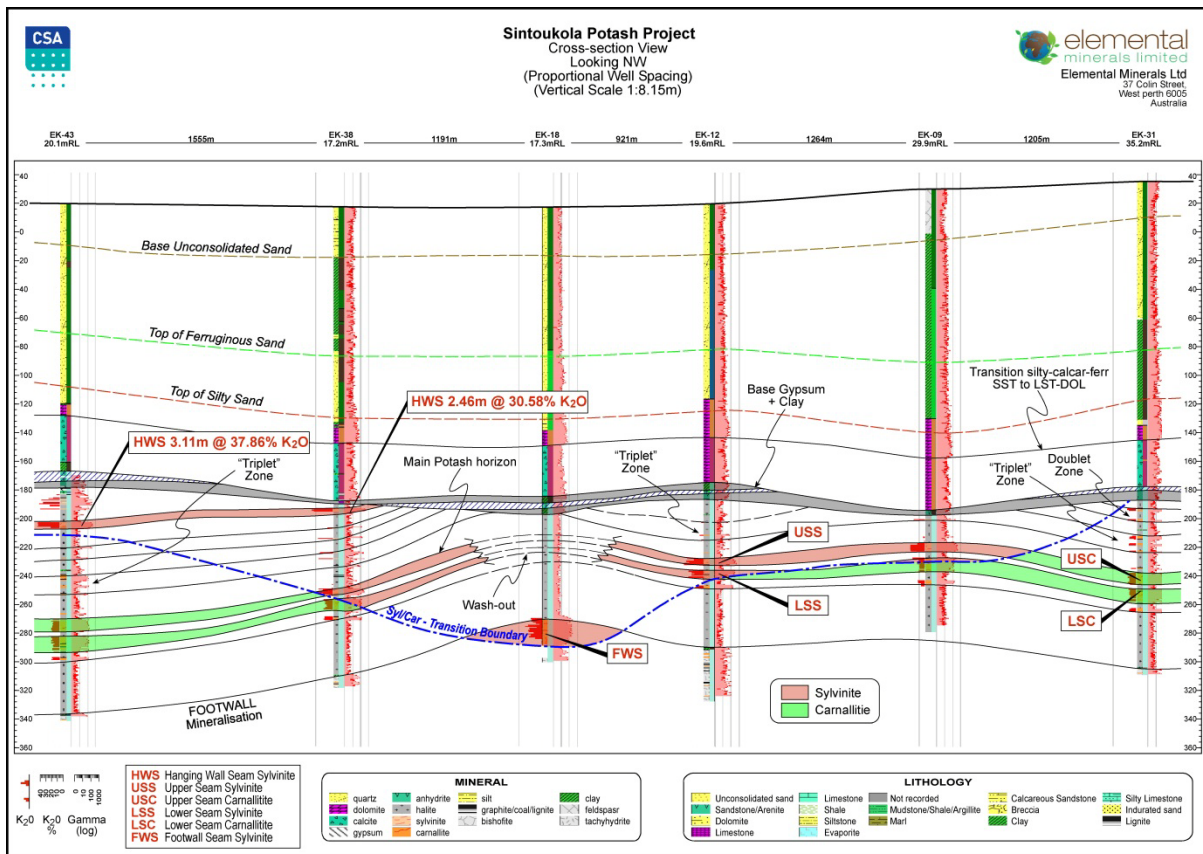


Figure 4: Example cross-section through the Kola deposit from SW to NE, with an approximate 10 times vertical exaggeration.



Appendix 5B

Mining exploration entity quarterly report

Name of entity

ELEMENTAL MINERALS LIMITED

ABN

31 108 066 422

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

	Current quarter \$USD'000	Year to date (9 months) \$USD'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(764)	(2,910)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	122	450
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – GST paid to be recouped	-	-
Net Operating Cash Flows	(642)	(2,459)
Cash flows related to investing activities		
1.8 Payment for purchase or renewal of:		
(a) exploration, development and evaluation	(6,961)	(31,057)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	5	5
1.10 Loans to other entities	-	-
1.11 Loans from other entities	-	-
1.12 Other	-	-
Net investing cash flows	(6,956)	(31,052)
1.13 Total operating and investing cash flows (carried forward)	(7,598)	(33,511)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(7,598)	(33,511)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	3,067
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue expenses	-	-
	Net financing cash flows	-	3,067
	Net increase (decrease) in cash held	(7,598)	(30,444)
1.20	Cash at beginning of quarter/year to date	17,992	41,518
1.21	Exchange rate adjustments to item 1.20	38	(642)
1.22	Cash at end of quarter	10,432	10,432

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$USD'000
1.23	Aggregate amount of payments to the parties included in item 1.2	182
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

All payments to Directors and associates are on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$USD'000	Amount used \$USD'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$USD'000
4.1 Exploration and evaluation	4,342.4
4.2 Development	-
4.3 Production	-
4.4 Administration	1,254.2
Total	5,596.6

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$USD'000	Previous quarter \$USD'000
5.1 Cash on hand and at bank	10,432	14,777
5.2 Deposits at call	-	3,215
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	10,432	17,992

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	-	-	-
-----	---	---	---	---

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	-	-	-	-
	Preference securities <i>(description)</i>			
7.2	-	-	-	-
	Changes during quarter			
7.3	243,614,280	243,614,280	-	Fully Paid
	+Ordinary securities			
7.4	-	-	-	-
	Changes during quarter			
7.5	-	-	-	-
	+Convertible debt securities <i>(description)</i>			
7.6	-	-	-	-
	Changes during quarter			
7.7			<i>Exercise price</i>	<i>Expiry date</i>
	200,000	-	<i>AUD\$0.46</i>	<i>20/12/2012</i>
	4,500,000	-	<i>AUD\$1.07</i>	<i>16/02/2015</i>
	5,250,000	-	<i>AUD\$1.07</i>	<i>19/05/2015</i>
	1,953,620	-	<i>CAD\$1.26</i>	<i>16/08/2013</i>
	500,000	-	<i>AUD\$1.09</i>	<i>09/01/2016</i>
	300,000	-	<i>AUD\$1.29</i>	<i>13/02/2016</i>
	250,000	-	<i>AUD\$1.12</i>	<i>23/04/2016</i>
	<i>(description and conversion factor)</i>			
7.8	-	-	-	-
	Issued during quarter			
7.9	-	-		
	Exercised during quarter			
7.10	-	-		
	Cancelled/Expired during quarter			
7.11	-	-		
	Debentures <i>(totals only)</i>			
7.12	-	-		
	Unsecured notes <i>(totals only)</i>			

Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Joint Company Secretary

Date: 31 October 2012

Print name: LEONARD MATH

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.