



ELEMENTAL MINERALS REVIEW OF OPERATIONS FOR THE QUARTER ENDED 30 SEPTEMBER 2014

Perth, Australia – 29 October 2014 – Elemental Minerals Ltd. (ASX: ELM) ("Elemental" or "the Company") is pleased to provide the following quarterly update on its activities, including at its Sintoukola Potash Project located in the Republic of Congo ("RoC").

Key Points:

- Announced maiden Resource for the Dougou (Carnallite) Deposit
- Phase 1B drilling returned exceptional carnallite and sylvinite intersections at the Dougou Deposit and Yangala Sylvinite Prospect respectively, including 59.5% KCl (37.6% K₂O) over 4.21 metres at the latter
- Launched phased implementation study on the Kola (Sylvinite) Project which aims to significantly reduce initial capex expenditure
- Announced a fully underwritten 1 for 6 non-renounceable rights issue at 18 cents per share, with 3 free attaching options (exercisable at 25 cents within 15 months from issue) for every 2 New Shares issued, to raise A\$9.47 million before costs

Strategic Direction

As announced last quarter Elemental has developed a two pronged strategy which will continue to advance the Kola and Dougou Projects (Fig. 4) The Kola (sylvinite) Project is the subject of a phased implementation study which is aimed at reducing the initial capex requirements for the project. Secondly, further infill and Mineral Resource extension exploration drilling at Dougou and Yangala project was carried out. A scoping study for solution mining at Dougou is planned to be completed in Q4 2014.

Dougou Carnallite Deposit and Yangala Sylvinite Prospect

In July of the quarter, the Company announced a maiden Mineral Resource Estimate for Dougou (Fig. 1) of 1.29 billion tonnes grading 21.72% KCl (13.71 % K₂O), including 520 million tonnes grading 24.58% KCl (15.52 % K₂O) within the Hangingwall Seam¹. The grade and low insoluble content (<0.2%), coupled with the apparent continuity of grade and thickness and the gentle dip of the seams at Dougou, may provide key advantages for extraction by solution mining.

An area named the Yangala Sylvinite Prospect², of approximately 12 by 7 kilometres in extent to the immediate west of Dougou Deposit (Fig.1), was been identified as being prospective for the very high grade sylvinite Hangingwall Seam. ED_01 drilled in 2012 on the edge of this area (reported September 4th 2012) intersected 4.47 metres grading 57.66 % KCl (36.41 % K₂O).

Phase 1B drilling commenced on the 11th of July and was completed early in September. 1,563.5 metres were drilled for the boreholes ED_02, ED_03 and ED_04 (Fig. 1). Drilling was undertaken by Meridian Drilling Limited. Potash intersections are provided in Table 1. Coordinates for the drillholes are provided in Table 2. For a full disclosure of the results of this drilling the reader is referred to the Company's announcement dated 20th October 2014.

¹ Please refer to the Company's announcement dated 9th July 2014.

² Please refer to the Company's announcement dated 9th July 2014

Drillhole ED_02 at Dougou intersected the Top Seam, Hangingwall Seam, Upper Seam and the Lower Seam all of which were thicker than expected, with a combined thickness of 43 metres of carnallite and individual seams grading between 17.8 % and 24.7 % KCl (11.2 % and 15.6% K₂O). At Yangala, ED_03 drilled 1.4 kilometres to the west of ED_01 returned Hangingwall Seam sylvinite of exceptional grade; 59.48 % KCl (37.56 % K₂O) over a thickness of 4.21 metres. The final drillhole ED_04 was stopped 90 metres short of its planned end-of-hole depth as a precaution due the detection of small quantities of formational gas. The gas emission was minor and abated to non-detectable levels after a short period. Deepening of this hole is planned.

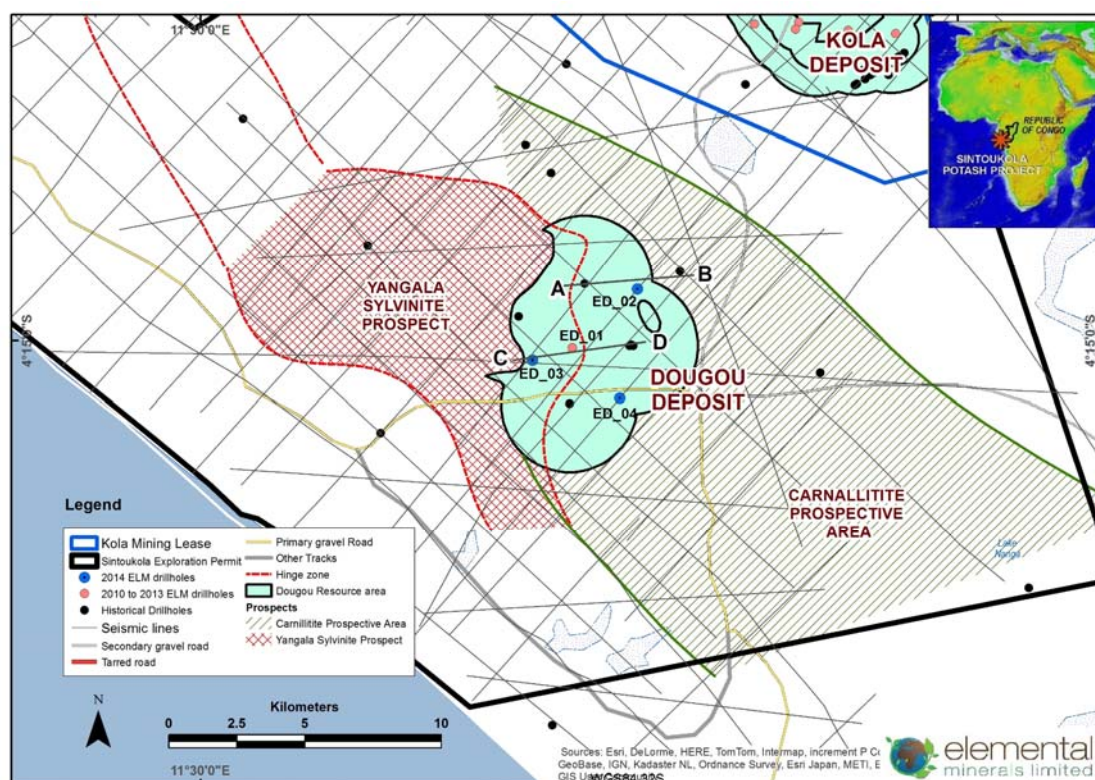


Figure 1. Map showing the Dougou Carnallite Deposit, Yangala Sylvinite Prospect and all drill-holes. Lines of cross-sections in figures 2 and 3 are shown. Seismic lines are shown, all of which data Elemental has acquired and used in the geological interpretation of Dougou and Yangala.

Table 1. All Dougou-Yangala Phase 1B potash intersections³.

Drillhole	Depth from (metres)	Depth to (metres)	True width (metres)*	Grade (K ₂ O%)*	Grade (KCl%)*	Seam name	Mineralogy
ED_02	430.80	441.02	10.22	11.22	17.77	Top Seam	Carnallite
ED_02	455.66	466.87	11.21	15.56	24.65	Hangingwall Seam	Carnallite
ED_02	529.54	539.95	10.41	12.95	20.52	Upper Seam	Carnallite
ED_02	544.12	555.27	11.15	11.28	17.87	Lower Seam	Carnallite
ED_03	398.95	403.16	4.21	37.56	59.48	Hangingwall Seam	Sylvinite
ED_03	462.82	469.92	7.10	14.45	22.89	Upper Seam	Carnallite
ED_03	473.23	481.83	8.60	11.50	18.22	Lower Seam	Carnallite

* In all intersections the potash layers are flat-lying or almost flat-lying (< 5 degrees) and drillholes are within 1 degree of vertical therefore intersections may be considered true thickness.

* Conversion factors: from K to K₂O multiply by x 1.2047. From K₂O to KCl multiply by 1.5837

³ Please refer to the Company's announcement dated 20th October 2014

Table 2. Surveyed positions of ED_02 to ED_04

Drillhole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)
ED_02	793562.45	9531646.21	72.96	567.15
ED_03	789848.75	9528941.24	63.14	492.15
ED_04	792892.91	9527644.61	77.90	In progress

Projection: UTM 32 S datum: WGS84

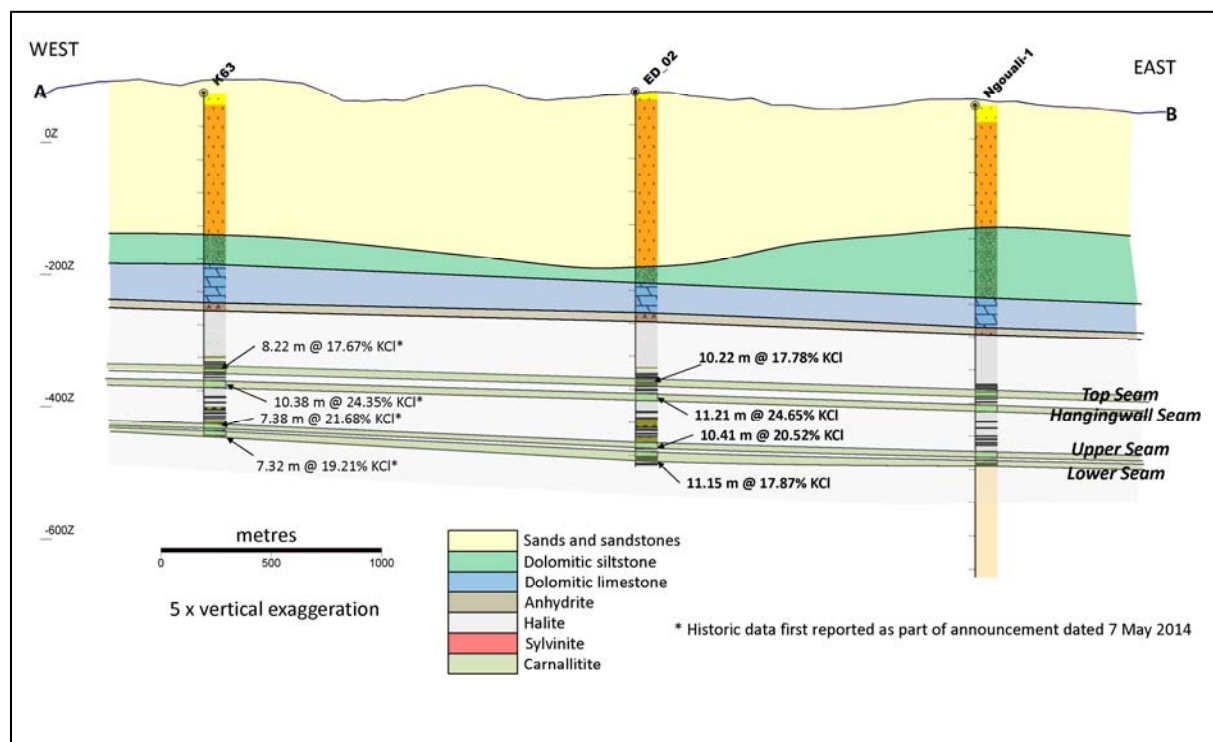


Figure 2. Cross-section (line A-B on figure 1) through a portion of the Dougou deposit showing carnallite Top Seam, Hangingwall Seam, Upper and Lower Seams. No assay data available for oil-well Ngouali-1 (geology and gamma-ray only)

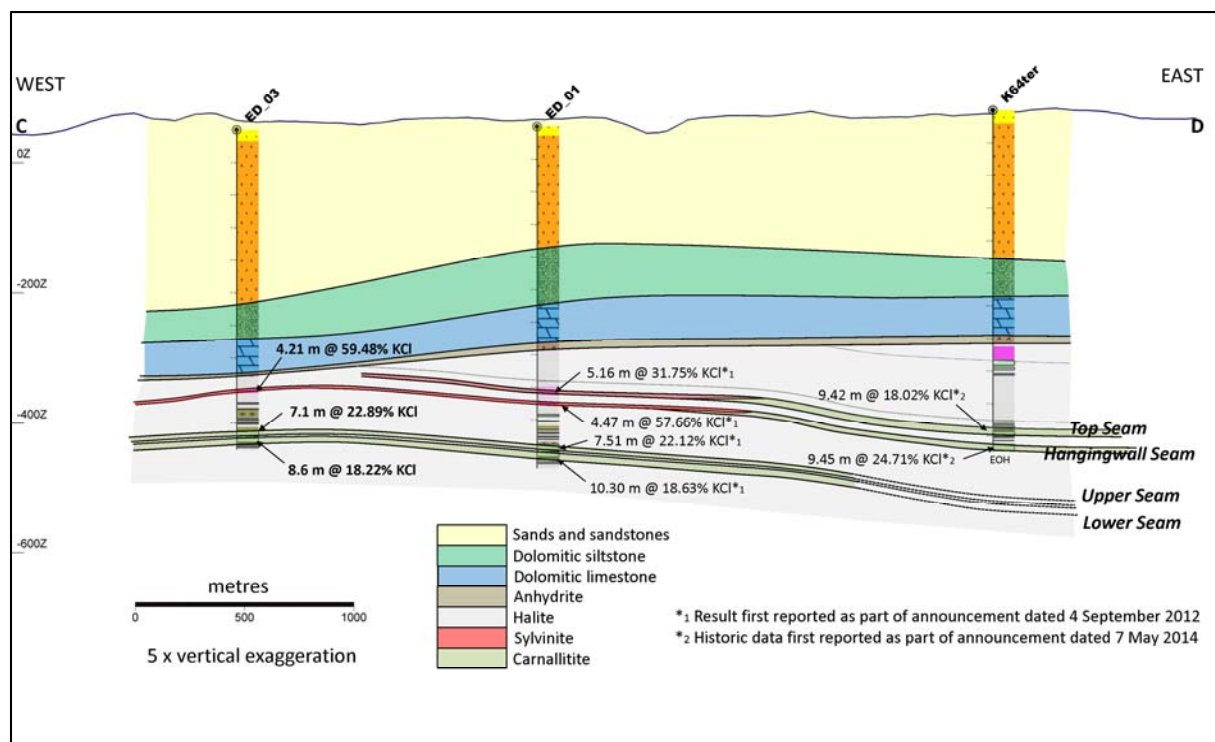


Figure 3. Cross-section (line C-D on figure 1) through a portion of the Yangala Prospect, showing the interpretation of the sylvinite Hangingwall Seam and Top Seam intersected in ED_01 and ED_03, and carnallite seams. Seismic data was used in this interpretation of the stratigraphy. Historic hole K64ter stopped short of the Upper and Lower Seams.

Technical Studies

A study was initiated with SRK, AMEC and Alan Auld Engineering to reconfigure the project implementation for Kola, by phasing the production ramp up⁴. The mine will be constructed in two Phases, with the initial Phase 1 producing 1mtpa and a ramp up to Phase 2 production of 2mtpa 4 years later. The study will also include:

- The latest potash price forecasts
- ELM's latest understanding of the in-country fiscal regime
- Expressions of interests received for the build own operate and maintain (BOOM) of certain components of the project infrastructure
- Results of the value engineering studies undertaken by ELM since 2013

Corporate

On the 9th of September 2014 the company announced a fully underwritten 1 for 6 non-renounceable rights issue at 18 cents per share, with 3 free attaching options (exercisable at 25 cents within 15 months from issue) for every 2 New Shares issued, to raise A\$9.47 million before costs. Net proceeds and existing cash reserves are to be used for the following objectives: Advancing the Dougou Carnallite Deposit to scoping study level, Exploration at the Yangala Sylvinite Prospect, Continue current studies to reduce the initial capital requirement for the Kola Project and attract a strategic partner into the project with the financial resources to allow the financing and development of the project. The rights issue closed successfully on the 8th October 2014.

⁴ The results of the study were announced on the 23rd October 2014.

Tenement Details

Elemental Minerals Limited holds 97% of Sintoukola Potash S.A. who has the rights over the Sintoukola Project situated in the Kouilou Province in the south west corner of the Republic of Congo. The Sintoukola Project comprises an exclusive exploration permit, for potash and associated salts, which covers an area of 1,408 km² along the northern part of the coastline in the west of the country.

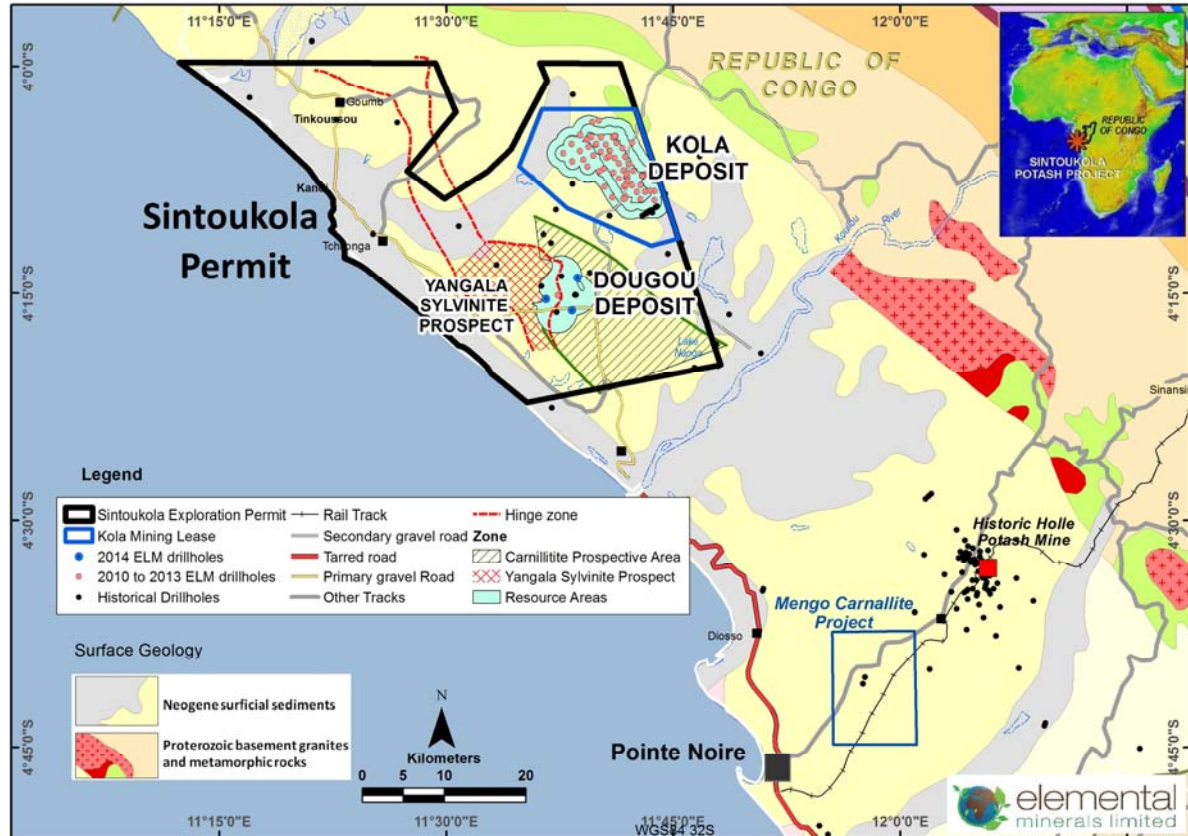


Figure 4. Geological map of the RoC coastal basin, showing the Sintoukola Permit and the Kola Deposit, Dougou Deposit and Yangala Sylvinite Prospect. Elemental and historic boreholes are shown.

About Elemental Minerals

Elemental Minerals Limited (ASX: ELM) is an advanced mineral exploration and development company whose primary asset is the 97%-owned Sintoukola Potash Project in the Republic of Congo. ELM completed an advanced Pre-Feasibility Study on its Kola (sylvinite) Project in September 2012 and was awarded a mining license and an environmental license in August 2013. ELM has now completed a Scoping level Study on the Phased Implementation of Kola, as an update to the PFS. The Dougou carnallite deposit is located 15 kilometres southwest of the Kola deposit. The Sintoukola Potash License Area has the potential to be among the world's lowest-cost potash producers, and its strategic location near the Congolese coast of Central West Africa offers a transport cost advantage to key Brazilian and Asian fertilizer markets. For more information, visit www.elementalminerals.com

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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.

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 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Elemental Minerals Limited

ABN

31 108 066 422

Quarter ended ("current quarter")

30 September 2014

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 & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(624)	(2,022)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	102
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R & D Refund)	-	412
Net Operating Cash Flows		(617)	(1,508)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) exploration, development and evaluation	(1,680)	(3,964)
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(1,680)	(3,964)
1.13	Total operating and investing cash flows (carried forward)	(2,297)	(5,472)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,297)	(5,472)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2,895
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,602	1,602
1.17	Repayment of convertible notes	-	(8,804)
1.18	Interest paid on convertible notes	-	(265)
1.19	Proceeds from convertible notes	-	8,804
	Net financing cash flows	1,602	4,232
	Net increase (decrease) in cash held	(695)	(1,240)
1.20	Cash at beginning of quarter/year to date	2,959	3,469
1.21	Exchange rate adjustments to item 1.20	(94)	(59)
1.22	Cash at end of quarter	2,170	2,170

Payments to directors of the entity, associates of the directors, 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
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

+ See chapter 19 for defined terms.

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	1,715.1
4.2 Development	-
4.3 Production	-
4.4 Administration	447.4
Total	2,162.5

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	2,170	2,959
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,170	2,959

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements and petroleum 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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	315,663,391	315,663,391	-	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,600,000	10,600,000	AUD\$0.25	Fully Paid
7.5 *Convertible debt securities (description)	-	-	-	-

+ See chapter 19 for defined terms.


Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	4,500,000	-		AUD\$1.07	16/02/2015
	4,450,000	-		AUD\$1.07	19/05/2015
	500,000	-		AUD\$1.09	09/01/2016
	300,000	-		AUD\$1.29	13/02/2016
	250,000	-		AUD\$1.12	23/04/2016
	500,000	-		AUD\$1.18	01/04/2016
	250,000	-		AUD\$0.90	22/05/2017
	6,691,226	-		AUD\$0.33	15/04/2018
	1,500,000	-		AUD\$0.33	26/06/2018
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	817,787	-	AUD\$0.33	15/04/2018
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

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 (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: .....
(Director & Company secretary)

Date: .29 October 2014

Print name: Leonard Math

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

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+ See chapter 19 for defined terms.