



ELEMENTAL MINERALS REVIEW OF OPERATIONS FOR THE QUARTER ENDED 31 MARCH 2016

Perth, Australia – 29th April 2016 – Elemental Minerals Ltd. (ASX: ELEMENTAL) ("**Elemental**" or "**the Company**") is pleased to provide the following quarterly update on its corporate activities and activities at its Sintoukola Potash Project located in the Republic of Congo ("**RoC**")- Figure 1.

HIGHLIGHTS

- The Company completed a private placement of A\$4.1 million at A\$0.20 per share on 31 March 2016.
- Completion of preliminary results of the Master Plan which provides a comprehensive strategic overview of Elemental's Kola, Dougou and Yangala projects, and sets out planning considerations of common infrastructure works which could be utilised across all three projects
- The Terms of Reference for the Dougou Environmental and Social Impact Assessment (ESIA) were approved by the national regulators in March 2016 and the final ESIA report will be submitted during the month of August 2016.
- Significant progress has been made on the Summit investment such that it is anticipated that definitive documents can be signed shortly.
- The current President of the Republic of the Congo has been re-elected following the Constitutional Court's results confirmation and inauguration of Mr. Denis Sassou Nguesso, which took place on Saturday 17 April 2016.

CORPORATE ACTIVITIES

During the Quarter, much of the Company's effort focused on making significant progress on the Summit proposal¹, which continues to go well. Due diligence is near completion and negotiation around the relevant documentation is advanced. Accordingly, it is anticipated that the Company will be in a position to announce signed definitive documents in Q2 2016.

Shareholders should note that the Summit proposal transaction is subject to conditions precedent customary for transactions of this nature, including successful completion of final due diligence, negotiation and execution of definitive transaction agreements and receipt of all necessary internal and external approvals (including the approval of ELM shareholders which will be sought towards the end of this Quarter). Accordingly, there is no assurance that any transaction will be concluded. Shareholders and Investors are therefore advised to exercise caution in their dealings in the Company's securities.

¹ Announcement dated 26 November 2015

OPERATIONAL ACTIVITIES

Technical Studies

- The Company's engineering teams started the Master Plan study, which provides a comprehensive strategic overview of Elemental's Kola and Dougou and Yangala projects, and sets out planning considerations of common infrastructure works utilised across the different projects. These infrastructure synergies will provide a holistic design basis for the Kola Definitive Feasibility Study (DFS). The Master Plan was completed in mid-April 2016 and supports the Company's aim to produce in excess of 5Mtpa of MoP (Muriate of Potash) from the project portfolio.
- A Technical workshop was conducted with the Construction Consortium in March to finalize the DFS scope of works and identify early trade off studies in order to fast track the start of the DFS study phase once initiated.
- The Terms of Reference for the Dougou Environmental Social Impact Assessment (ESIA) were approved and the Company's Consulting teams proceeded with the ESIA field work on the Dougou area with completion planned for Q3, 2016. Baseline surveys for biodiversity (flora and fauna), social community studies, as well as hydrology and water quality field campaigns have all been completed in the quarter.

ROC Regulatory requirements

- The Company has updated the draft Mining Convention with the ROC Government to accommodate Elemental's long-term aim of increasing production from an initial planned 2Mtpa MoP to 5,5Mtpa MoP from multiple mining operations. The Convention will govern the commercial, legal, financial, tax and customs terms and conditions for the life of the mine. The submission of this Mining Convention to the ROC Regulator is planned during Q2 2016 with the objective to complete its negotiation by the end of Q2 2016.
- The Company has commenced the process of preparing a Mining Permit application for the Dougou areatargeting submission to the Ministry of Mines in May 2016.

Field Work and Exploration Activity

KOLA SYLVINITE PROJECT

Following a tender process with 3 geophysical consultants, a contract for further processing of Elemental's seismic data for the Kola deposit was awarded to DMT Petrologic GmbH (DMT) of Germany. DMT is carrying out additional processing of the 203 line km of seismic data that was collected by Elemental during 2010 and 2011, to provide high quality, depth converted data to support the Kola DFS resource update. DMT has significant experience in this field and in this specific setting. The work is expected to be completed by the end of July 2016.

YANGALA SYLVINITE PROSPECT

Following a tender process with 4 potential contractors, Elemental is finalizing a drilling contract and management service agreement and has mobilised drilling equipment to site. This is in preparation for the drilling of 8 holes (minimum 4 000 m) at the Yangala Prospect as soon as possible after closing the Summit investment agreement. This drilling is designed to test the Exploration Target of 235 to 470 Mt grading 55 to 60% KCl, as announced in 2015².

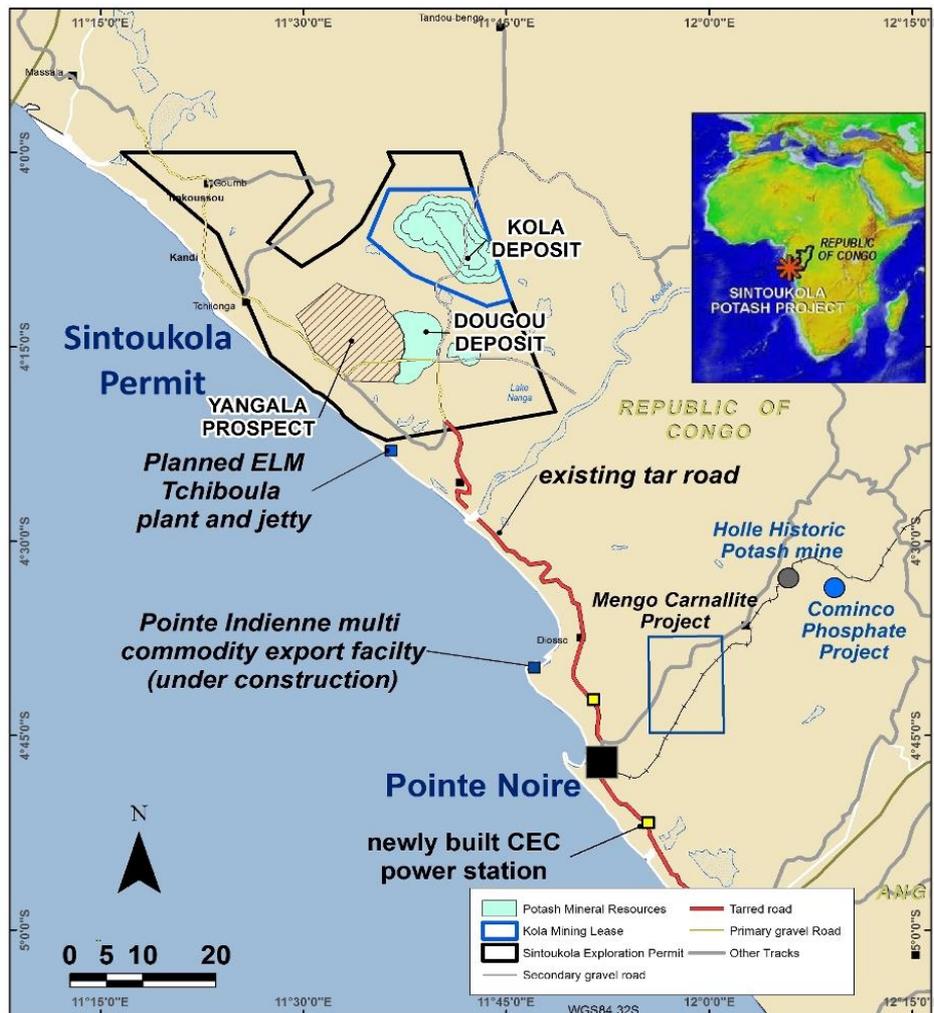


Figure 1. Location of the Sintoukola Project showing the Dougou, Kola and Yangala Projects, and available infrastructure.

² Announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinitic Hangingwall Seam at the Yangala Prospect

Table 1. Elemental Minerals' Potash Mineral Resources and the Exploration Target for the Yangala Prospect

	Category	Million Tonnes	Grade KCl %	Grade K ₂ O %
Kola Sylvinite Deposit	Measured	264	33.7	21.3
	Indicated	309	32.6	20.6
	Inferred	475	32.5	20.5
	TOTAL	1,048	32.8	20.7
Kola Carnallite Deposit	Measured	295	17.8	11.3
	Indicated	449	18.7	11.8
	Inferred	473	18.8	11.9
	TOTAL	1,217	18.5	11.7
Dougou Carnallite Deposit	Measured	148	20.1	12.7
	Indicated	920	20.7	13.0
	Inferred	1,988	20.8	13.1
	TOTAL	3,056	20.7	13.1
TOTAL MINERAL RESOURCES	Measured	707	24.2	15.3
	Indicated	1,678	22.3	14.1
	Inferred	2,936	22.3	14.1
	TOTAL	5,321	22.6	14.3
Yangala Sylvinite Prospect	Exploration Target (not a Mineral Resource)	235 to 470	55 to 60	35 to 38

Notes: The Kola Mineral resources were estimated by CSA Global of Perth, and reported under the JORC Code 2004. Elemental is not aware of any new information or data that materially affects the information included in the Announcement to the ASX on the 21st August 2012 titled "Elemental Announces Further Significant Mineral Resource Upgrade for Kola". In the case of the Mineral Resources the Company can confirm the assumptions and the technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context of the Competent Person's findings as presented in the announcement have not materially changed. The Dougou Mineral Resource was completed by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in accordance with the JORC code 2012 in the ASX announcement dated 9 February 2015 titled "Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit". Table entries are rounded to the appropriate significant figure. A conversion factor of 1.5837 was used to convert K₂O to KCl. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Yangala Exploration Target is not a mineral resource, there being insufficient exploration data to support a resource model and estimate, and there is no guarantee that it will become a resource with additional exploration. For details the reader should refer to the announcement dated 27 January 2015: Elemental Minerals Announces an Exploration Target for the High Grade Sylvinite Hangingwall Seam at the Yangala Prospect

Table 2. Elemental Minerals' Potash Mineral Reserves

	Category	Million Tonnes	Grade KCl %
Kola Sylvinite	Proven	88	31.68
	Probable	64	31.69
	TOTAL	152	31.69

Notes: The Kola Sylvinite Mineral Reserves were determined by SRK Consulting and described in detail in the report titled 'NI 43-101 Technical Report for the Sintoukola Potash Project, Republic of Congo' dated 17 September 2012. Mineral Reserves have not changed since that date. Mineral Reserves are not in addition to Mineral Resources but are determined from Mineral Resources by the application of modifying factors.

About Elemental Minerals and Tenement Details

Elemental Minerals Limited (ASX: ELM) is an advanced stage mineral exploration and development company whose primary asset is 97%-owned Sintoukola Potash SARL (SP) in the RoC. The Company has three projects at varying development stages: SP has 100% ownership of the Kola Mining Lease within which the Company's lead project, the Kola deposit is located. SP also has 100% ownership of the 1067 km² Sintoukola Exploration Permit which contains the Dougou and Yangala Projects.

These projects are easily accessed, being located approximately 80km to the north of the city of Pointe Noire and 15 to 30km from the coast. The Projects have the potential to be among the world's lowest-cost potash producers and their location near the coast offers a transport cost advantage to key Brazilian and Asian fertilizer markets.

Kola is a large sylvinitic deposit, for which a Pre-Feasibility Study (PFS) defined Proven and Probable Reserves of 152 Mt of sylvinitic ore³ with an average grade of 31.7% KCl to be mined by conventional underground methods (at a depth of between 200 and 300 m), for a full scale production of 2 Mtpa Muriate of Potash (MoP) by 2022. A Mining License and ESIA approval for Kola were granted in August 2013⁴.

The Dougou Deposit is 15 km southwest of Kola and is a very large carnallitic deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of carnallitic within 4 flat-lying seams⁵. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015⁶. This Study indicates that a low capital cost, low operating cost (Life of Mine operating cost of US\$68 per tonne MOP), quick to production carnallitic⁷ solution mine can be established at Dougou, taking advantage of the deposit quality and availability of cheap energy in the RoC.

The Yangala Sylvinitic Prospect lies immediately west of Dougou. At Yangala, the Company has drilled two holes, both intersecting a flat-lying layer of thickness 4 to 4.5 metres with a grade of between 57 and 60% KCl. In 2015, Elemental announced an Exploration Target for Yangala of 235 to 470 million tonnes grading between 55 and 60 % KCl.

For more information contact us or visit www.elementalminerals.com.

³ NI 43-101 Technical Report. PFS for the Kola Deposit, 17 September 2012 (SRK Consulting)

⁴ Announcement dated 15 August 2013: Elemental Minerals Announces Award of Mining License for the Kola Potash Project.

⁵ Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

⁶ Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

⁷ Carnallitic: a rock comprising of the potash mineral carnallite (KMgCl₃·6H₂O) and other minerals such as halite (NaCl).

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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 and whilst there is a reasonable basis for making such statements regarding the proposed placement described herein; 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.

Competent Person Statement

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, and the results of economic studies, is extracted from previous reports, as referred to in footnotes herein, and available to view on the Company's website. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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")

31 MARCH 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$USD'000	Year to date (3 months) \$USD'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (714)	- - - (714)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (R & D Refund)	-	-
Net Operating Cash Flows	(712)	(712)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) exploration, development and evaluation (b) equity investments (c) other fixed assets	(1,012) - -	(1,012) - -
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	(1,012)	(1,012)
1.13 Total operating and investing cash flows (carried forward)	(1,724)	(1,724)

+ 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)	(1,724)	(1,724)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,315	3,315
1.15	Repayment of borrowings	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of convertible notes	-	-
1.18	Interest paid on convertible notes	-	-
1.19	Proceeds from convertible notes	-	-
1.20	Cost of Capital raising	-	-
	Net financing cash flows	3,315	3,315
	Net increase (decrease) in cash held	1,591	1,591
1.20	Cash at beginning of quarter/year to date	2,430	2,430
1.21	Exchange rate adjustments to item 1.20	79	79
1.22	Cash at end of quarter*	4,100	4,100

* AUD\$3.334m @ 0.72875

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	86
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	1 953.0
4.2 Development	-
4.3 Production	-
4.4 Administration	1 769.7
Total	3 722.7

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	4,100	2,430
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,100	2,430

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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	-	-	-	-
7.2	-	-	-	-
7.3	433,361,970	433,361,970	-	Fully Paid
7.4	4,843 22,300,000 781,250	4,843 22,300,000 781,250	AUD\$0.25 AUD\$0.20 Nil	Fully Paid Fully Paid Fully Paid
7.5	-	-	-	-

+ 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>
	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	4,843	4,843	AUD\$0.25	15/01/2016
7.10	Expired during quarter	78,911,086 500,000 300,000	78,911,086 - -	AUD\$0.25 AUD\$1.09 AUD\$1.29	15/01/2016 09/01/2016 13/02/2016
7.11	Performance Rights Issued under the Company's Performance Rights Plan	2,666,090 2,666,090 2,666,090 5,000,000 13,000,000 8,500,000	Class A Class B Class C		16/09/2017 16/09/2018 16/09/2019 06/12/2020 01/03/2021 01/03/2021
7.12	Issued during quarter	4,750,000 13,000,000 7,968,750			06/12/2020 01/03/2021 01/03/2021
7.13	Vested during the quarter	250,000 531,250			06/12/2020 01/03/2021
7.14	Expired during the quarter				

+ See chapter 19 for defined terms.

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:


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(Director & Company secretary)

Date: 29 April 2016

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 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.