



## ELEMENTAL ACQUIRES EXTENSIVE REGIONAL OIL INDUSTRY EXPLORATION DATA AND HAS GENERATED NEW EXPLORATION TARGETS

PERTH, Australia, October 18<sup>th</sup>, 2011 - Elemental Minerals Ltd. (ASX, TSX: ELM) ("Elemental" or the "Company") is pleased to announce that it has completed the acquisition of recent regional oil industry 2D seismic and borehole data and has undertaken target generation for its Phase 3 exploration programmes for the Kola and Dougou areas.

### HIGHLIGHTS:

- The Company has acquired 295 line kilometres of recent oil industry regional 2D seismic data on the Sintoukola license area and data for a further nine historic and recent potash and oil exploration boreholes, which have allowed a high quality target generation exercise to be undertaken.
- The initial target generation exercise delineates two potentially significant potash domains; one surrounding and contiguous to the existing Kola deposit (Kola High), and the other to the south west, namely the Dougou area (Dougou Rise).
- The Kola High priority one target is now interpreted to have an aerial extend of approximately 120km<sup>2</sup> which represents a 200% increase of the area currently explored.
- At the newly interpreted Dougou Rise the priority target one horizon includes a targetable mineralisation footprint of approximately 75km<sup>2</sup>.
- The target areas are supported by reports of intercepted potash mineralisation (sylvinitic and carnallitic) and corresponding down hole gamma logs.

Elemental has acquired 295 line kilometres of high quality 2D oil industry seismic data that covers approximately 750km<sup>2</sup> of the license area (Figs 1 and 2). Elemental has also acquired bore hole data and information relating to 9 exploration boreholes including historic and recently drilled holes inside the area of seismic coverage, which serve as geological controls to the seismic interpretation. The acquisition of this new data marks the commencement of the Company's exploration programme over the greater license area for which a new structural and mineralisation target model has been developed.

The initial target generation exercise conducted by CSA Global includes a regional structural framework based on the newly acquired seismic and borehole data (Fig 2) which delineates two areas of interest (Kola High and Dougou Rise) bound by either synclinal warping or normal/graben type faulting. These two domains seem to be different structurally in that the Kola High appears to represent a gentle anticlinal structure while the Dougou Rise presents a "flat" platform type environment very gradually tilted to the southwest and separated by a normal fault and the Dougou half-graben in the northeast from the Kola High (Fig 3).

The new Kola area seismic interpretation indicates stratigraphic-structural continuity and potential for further extension of the area prospective for potash mineralisation targeted surrounding the Kola deposit to the northwest, west and southeast, increasing the target footprint from approximately 60 km<sup>2</sup> as defined by the exploration programme currently underway to approximately 120km<sup>2</sup> (Figs 2 and 4). The newly defined Dougou Rise covers an area of approximately 75km<sup>2</sup>. The evaporite sequence at the Dougou Rise is approximately 100m deeper than the Kola High.

The drill hole information confirms the development and presence of variable amounts of potash mineralisation in the form of sylvinite and carnallite in both newly delineated target areas. The records refer to layers of sylvinite and/or carnallite developed in the same stratigraphic position as the mineralisation at Kola which are further supported by highly anomalous gamma readings over the corresponding depth intervals (Figs 3 and 4). No analytical results are available for any of the potash intervals and therefore require confirmation by way of drill testing.

Elemental CEO, Iain Macpherson, commented:

*"The acquisition and interpretation of the newly acquired data has not only allowed the Company to interpret the Sintoukola deposit in a regional geological context, but has also provided a very solid platform for the next stage of exploration that has the potential to increase the resource beyond the current Kola resource and Phase 2 target. Although our primary focus is to ensure the timely delivery of the Sintoukola Project DFS, we are cognizant of the fact that our 1400km<sup>2</sup> license area in the Congo Basin is underlain by an extensive evaporate sequence, which is the repository for potentially vast potash mineralization as indicated by historical, basin-wide exploration drilling. To date the Company's exploration effort has been data constrained, delineating two potash targets, Kola (current project area and, Dougou We now have a new interpretation which significantly extends the current Kola area and puts the Dougou target within a cohesive targetable block. We are initiating a new exploration programme, which will be designed to confirm the new interpretation and we will notify our investors as soon as this programme is finalised."*

## BACKGROUND

The Sintoukola Project's Kola deposit currently contains 362Mt Indicated Mineral Resources and 442Mt Inferred Mineral Resources, with an average grade of 19.5% K<sub>2</sub>O (30.8% KCl) and 19.6% K<sub>2</sub>O (31.0% KCl) respectively, at a 15.0% K<sub>2</sub>O cut-off grade. Within such Mineral Resources, the upper seam of the Kola deposit contains 229Mt Indicated Mineral Resources and 289Mt Inferred Mineral Resources, grading at 21.3% K<sub>2</sub>O (33.8% KCl) and 21.4% K<sub>2</sub>O (33.9% KCl) respectively, which upper seam is a higher-grade sylvinite only zone. The upper seam has a high-grade domain containing 151Mt Indicated Mineral Resources and 186Mt Inferred Mineral Resource, grading at 25.1% K<sub>2</sub>O (39.7% KCl) and 25.2% K<sub>2</sub>O (40.0% KCl) respectively, at a 20.0% K<sub>2</sub>O cut-off grade of pure sylvinite in a largely continuous mineralized horizon. This deposit is contained within 28km<sup>2</sup> of the current 1400km<sup>2</sup> license area and, as stated, the intention is now to test a much larger area of the license in an attempt to develop the Company's resource base.

### Competent Person Statement:

Information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Simon Dorling and Mr Jeff Elliott, of CSA Global Pty Ltd, the Company's geological consultants. Dr Simon Dorling and Mr Jeff Elliott 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 which 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 Simon Dorling and Mr Jeff Elliott are also Qualified Persons for the purposes of Canadian National Instrument 43-101 (NI 43-101) and they consent to the inclusion in this report of the Information, in the form and context in which it appears.

Further information respecting Elemental's Sintoukola Project is contained in a technical report entitled "NI 43-101 Technical Report, Sintoukola Potash Project, Republic of Congo" prepared by Dr. Neal Rigby of SRK Consulting (U.S.), Inc. and Messrs. Simon Dorling, Jeff Elliott, Andrew Scogings and Peter Davies of CSA Global Pty Ltd. for the Company dated August 1, 2011 with an effective date of June 10, 2011 (the "Technical Report"). The Technical Report can be accessed on the Company's profile on SEDAR.

**Forward-Looking Statements:**

This press 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 press 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.

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Figure 1: Location of Sintoukola Potash Permit and historic drill hole locations.

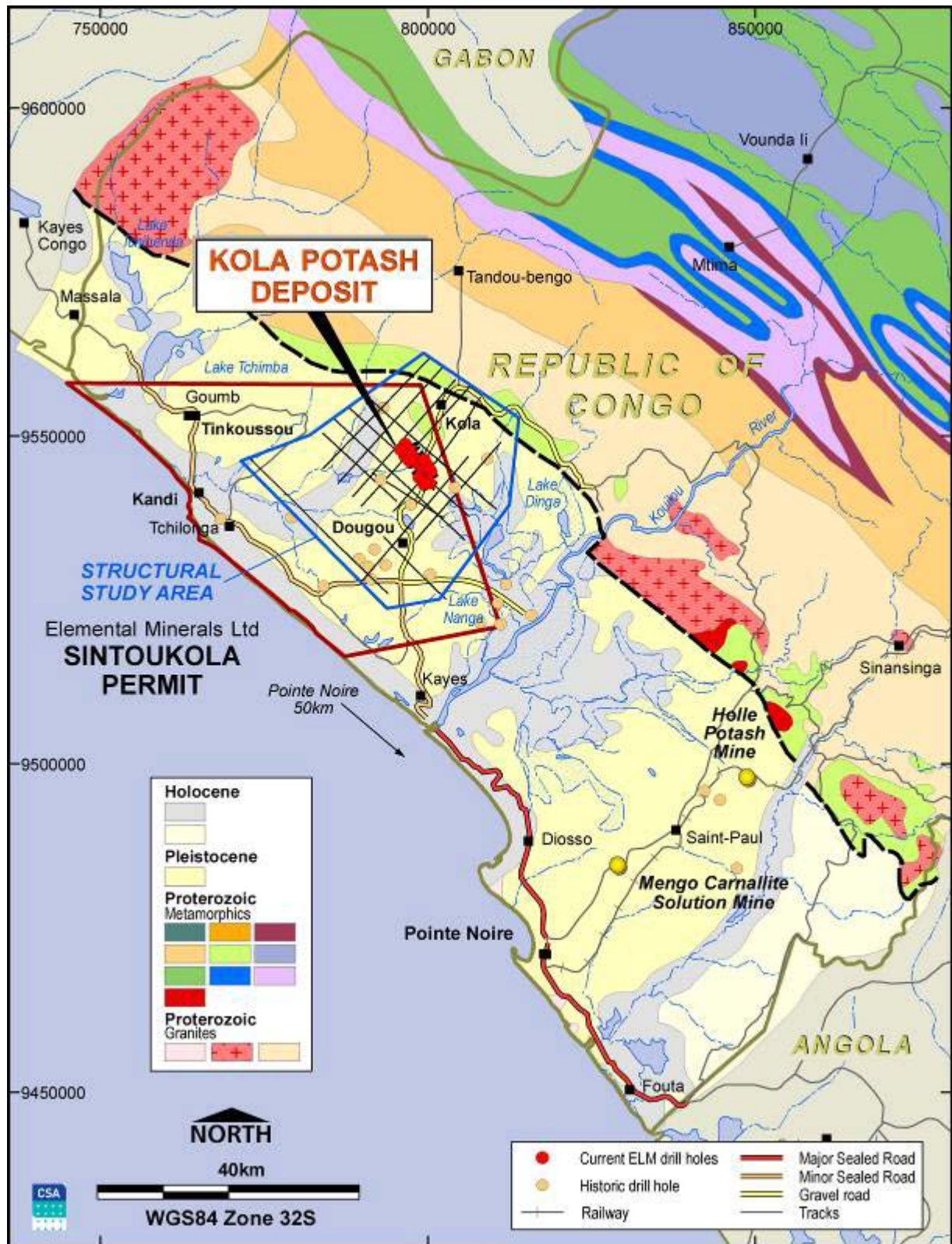


Figure 2: New data coverage and structural interpretation and target area ma

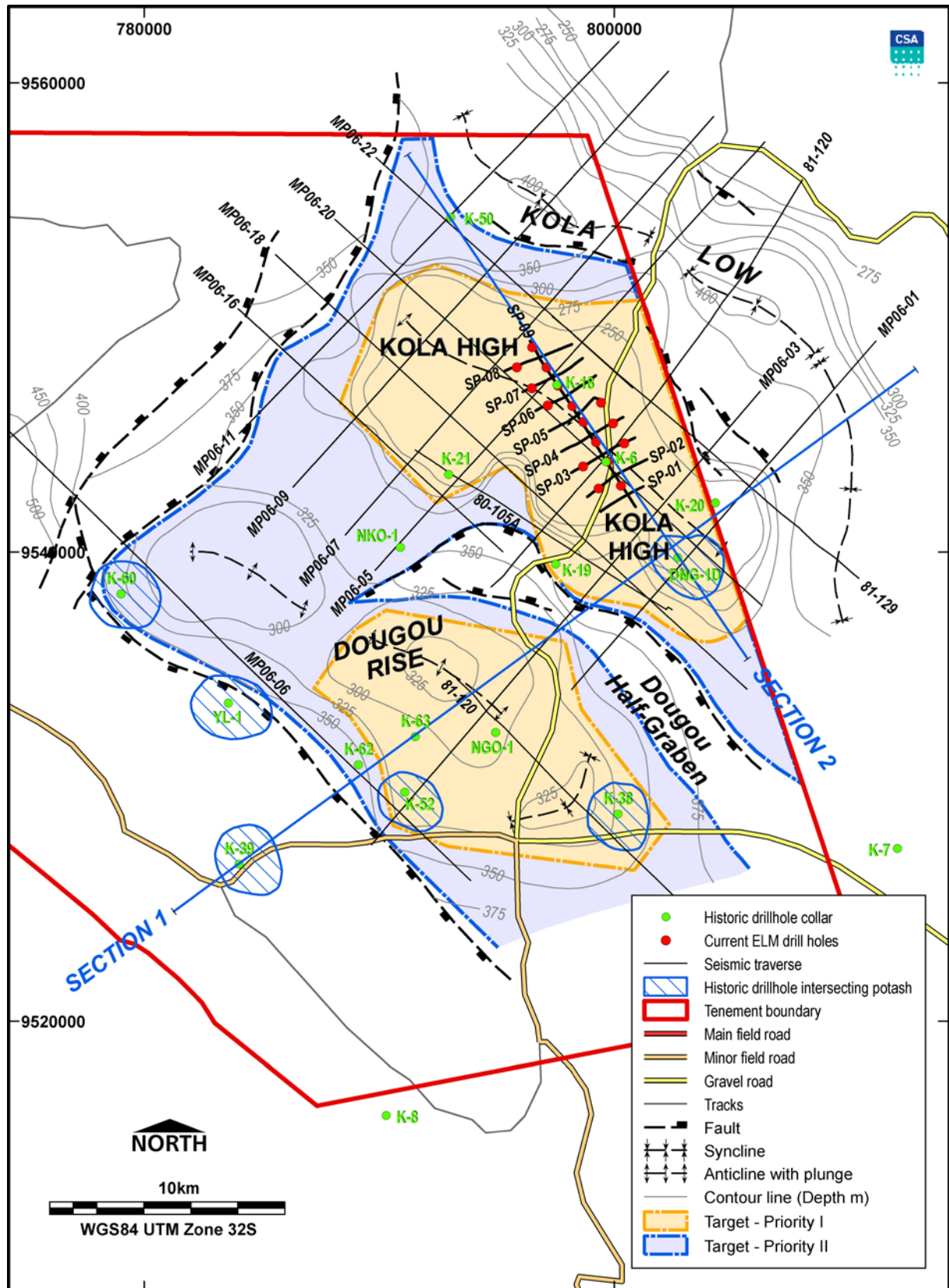


Figure 3: Section 1: Regional Geological Section

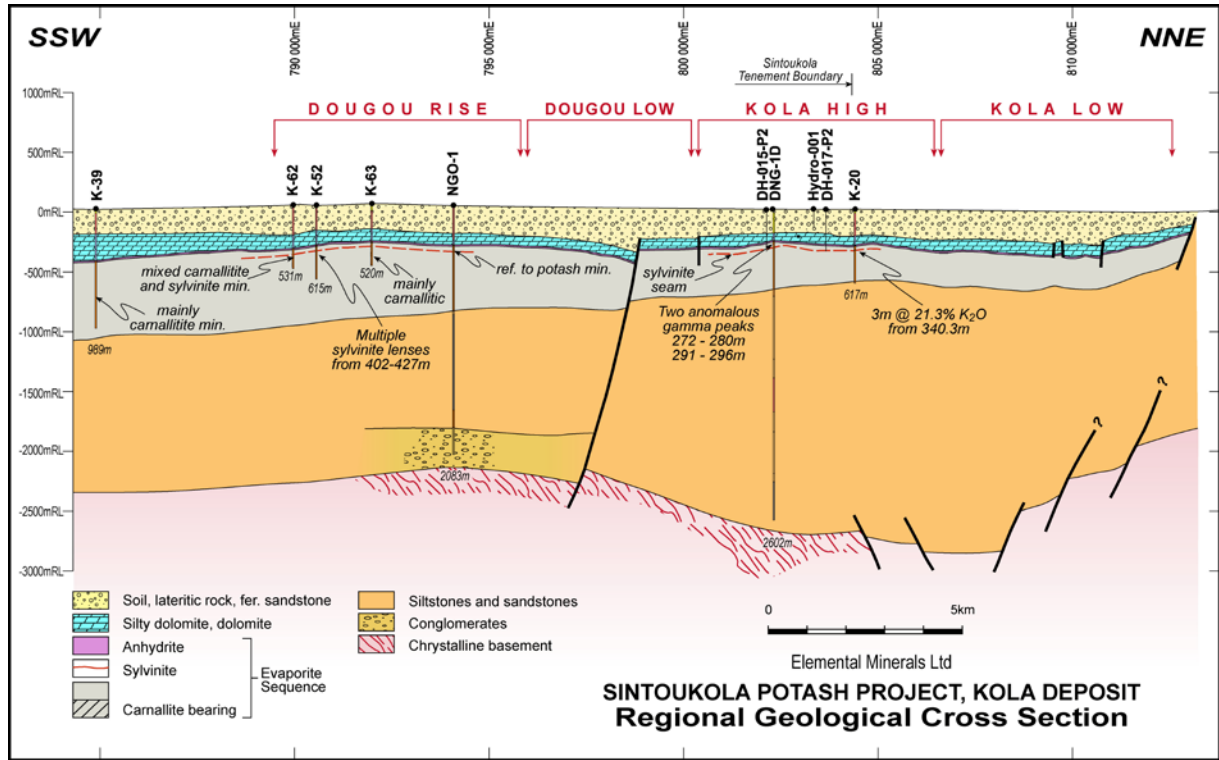


Figure 4: Section 2: Regional Geological Section

