



elemental
minerals limited

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4 January 2012

Dear Option Holder,

OPTIONS EXPIRING 31 JANUARY 2012

Please be advised that your options to subscribe for fully paid ordinary shares in the Company will expire on the 31 January 2012.

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 31 January 2012, 5pm (WST):

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

Yours sincerely,
Elemental Minerals Limited

A handwritten signature in black ink, appearing to read 'L Math', is positioned above the name of the signatory.

Leonard Math
Company Secretary



Registered Office Address:
Level 1, 681 Murray Street,
WEST PERTH, WA 6005
Tel: 08 9322 2700
Fax: 08 9322 7211

4 January 2012

Dear Optionholder

NOTICE TO OPTION HOLDERS

We write to you as a registered holder of the above number of options as at today's date. These options entitle you to acquire ordinary fully paid shares in Elemental Minerals Limited. Each option held is for the acquisition of one ordinary fully paid share, and the exercise price is 20 cents per share.

You are formally advised that these options will expire at 5.00pm Western Standard Time ("WST") on 31 January 2012.

Options may be exercised wholly or in part by completing the exercise of options form and payment of 20 cents for each option exercised, by no later than 31 January 2012. If the 'Notice of Exercise of Options and Application for Shares' form and payment is not received by 5.00pm WST on 31 January 2012 the option will not be exercised and will result in the forfeiture of any rights that you as an option holder may have in relation to ordinary shares.

Pursuant to Listing Rule 6.24, Appendix 6A of the Australian Securities Exchange Limited (ASX), the Company provides the information contained in this notice.

Market Sale Price

The market sale price of ordinary fully paid shares in **Elemental Minerals Limited** on the ASX was \$1.055 on 3 January 2012, being the last trading day prior to the date of this notice.

During the three months preceding the date of this notice:

- the highest market price on the ASX was \$1.435 on 14 October 2011; and
- the lowest market price on the ASX was \$1.035 on 14 November 2011.

A 'Notice of Exercise of Options and Application for Shares' form is enclosed for your completion.

How to Exercise your Options

Please complete the enclosed 'Notice of Exercise of Options and Application for Shares' form and then forward it together with your cheque, to be received by 5.00 pm WST on 31 January 2012 to:

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

Payments must be in Australian dollars only, and cheques should be made payable to **Elemental Minerals Limited** and crossed "Not Negotiable" and drawn on an Australian bank.

Yours sincerely

Elemental Minerals Limited

Leonard Math
Company Secretary

ELEMENTAL MINERALS LIMITED

ABN 31 108 066 422

INCORPORATED IN WESTERN AUSTRALIA

APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

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 wordsOrdinary Fully Paid Shares and enclose application money of \$0.20 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			
<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	<input checked="" type="checkbox"/> _____ Secretary Date		
<input checked="" type="checkbox"/> _____ Signature Date	<input checked="" type="checkbox"/> _____ Director Date	<input checked="" type="checkbox"/> _____ 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

- The rights and liabilities of the New Options to be issued pursuant to this Prospectus are set out below:
- The exercise price of a New Option is \$0.20 (Exercise Price) and is payable immediately on exercise.
- Each New Option will expire on 31 January 2012 (Option Period). If the New Options are not exercised on or prior to that date, the New Options will automatically lapse.
- An Optionholder may exercise part of its New Options holding without affecting its right to exercise further New Options at a later time.
- The New Options may be exercised wholly or in part by giving notice in writing (Notice of Exercise) to the Company at any time during the Option Period. New Options may only be exercised in multiples of 100; unless all of the then unexercised New Options are being exercised under the relevant Notice of Exercise.
- On receipt by the Company of the Notice of Exercise and payment of the relevant Exercise Price, the Company must issue to the holder of the New Option the number of Shares for which the New Option is exercised and dispatch the relevant holding statement or other appropriate acknowledgment as soon as reasonably practicable thereafter. Within 10 Business Days of receipt of a Notice of Exercise the Company will apply for official quotation on the ASX of the Shares issued on exercise of the New Options.
- Shares issued on the exercise of any New Options will rank equally in all respects with the then existing issued Shares and will be subject to the provisions of the Constitution of the Company. There are no participating rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues or pro-rata issues of securities offered to shareholders of the Company during the currency of the New Options. Subject to the conditions of a Bonus Issue, a holder of the New Option is required to exercise the New Options in order to participate in any new issue of securities offered to Shareholders by the Company. Optionholders will be provided with written notice and afforded that period of time as required by the ASX Listing Rules before the record date to determine entitlements to the offer to exercise their New Options.
- If from time to time on or prior to the expiry of the Option Period the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of the New Options a holder of the New Option 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 New 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 issued capital of the Company, all rights of the holder of the New Option shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.
- In the event of any pro-rata issue of securities (except a Bonus Issue) the exercise price of the New Options will be adjusted in accordance with ASX Listing Rule 6.22.
- The New Options are freely transferable and application will be made for the options to be listed on ASX.
- The directors may decline to register a transfer of New Options where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the ASX Listing Rules. If the directors decline to register a transfer the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.
- Notices may be given by the Company to the holder of the New Option in the manner prescribed by the Constitution of the Company for the giving of notices to the shareholders of the Company and the relevant provisions of the Constitution will apply with all necessary modification to notices to be given to the holder of the New Options and otherwise as the Company determines. The following is a summary of the more significant rights attaching to Securities to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Optionholders. To obtain such a statement, persons should seek independent legal advice.

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 31 JANUARY 2012 WILL AUTOMATICALLY EXPIRE.