

Butcherbird Project Development Update

Highlights

- Appointment of Mining Contractor.
- Appointment of Resident Manager and initiation of operations team recruitment.
- Camp construction underway.
- Key processing plant equipment in transit from vendors.
- Work programme for the development of the borefield commenced.
- Expansion case PFS nearing completion.

Element 25 Limited (E25 or Company) (ASX:E25) is pleased to advise that project development activities continue to accelerate at the Company's 100% owned Butcherbird Manganese Project (Project). As previously announced the Company is fast tracking the development of the Project with the first production scheduled for the first quarter of calendar 2021.

The development of the Project remains on time and on budget with the Company fully funded to first production based on current forecasts.

E25 Managing Director Mr Justin Brown commented, "The project development team continue to make excellent progress at Butcherbird as we fast track the commencement of Stage 1 operations."

Appointment of Mining Contractor

The Company is pleased to advise that Iron Mining Contracting Pty Ltd (IMC) has been appointed as the preferred mining contractor for the Project. IMC are experienced operators with a track record in both mining and civil works. IMC will be mobilising to site in December 2020 to complete the required civil earthworks including access roads, the Tailings Storage



Company Snapshot

ASX Code:	E25	Board of Directors:	Element 25 Limited is developing the world class
Shares on Issue:	132M	Seamus Cornelius	Chairman
Share Price:	\$1.08	Justin Brown	MD
Market Capitalisation:	\$143M	John Ribbons	NED
			Butcherbird Manganese Project in Western Australia to produce high quality manganese concentrate and high purity manganese products for traditional and new energy markets.

Facility (TSF) and the processing plant site. On completion of the civil work programme, IMC will transition to mining and provide material to feed the processing plant.

About IMC

IMC is a diversified Civil, Mining and Crushing contractor, in operation since 2015. IMC operates a range of projects across Iron Ore, Gold, base metals and oil & gas commodities throughout Western Australia.

Camp Construction

The Company has entered into an agreement with Refuel Australia (Refuel) for the provision of camp management services at their facility at the Kumarina Roadhouse (Kumarina), located approximately 30km south of the Project. E25 is in the process of installing a 40-man camp at Kumarina, where the operation workforce will be accommodated. Refuel will provide room servicing and messing.



Figure 1: Camp construction site ready to receive accommodation blocks.

A separate arrangement is also in place for Refuel to supply diesel for the Project at competitive rates.

Additionally, there is a serviceable airstrip immediately adjacent to the Kumarina facility which will potentially be used for a charter service to meet fly-in fly-out requirements.

Equipment Mobilisation

A number of key items of equipment are now in transit from their respective factories for delivery to Fremantle in December 2020. All vendors have been providing regular updates and build schedules are on time and budget.



Figure 2: Steinert Ore Sorters prepared for shipping.

Borefield Work Programme

The work programme for the installation of the borefield has commenced with production bores to be installed in coming weeks. This will be followed by the installation of a pipeline to deliver water to the main Project site.

Operational Workforce

The Company has appointed an experienced Resident Manager, Sven Tegeler. Sven is overseeing operational readiness preparations as well as coordinating the recruitment and training of the operations team. Sven will be a critical part of the construction and commissioning team and will then transition to a site management role to oversee operations of the mine.

Sven brings a wealth of experience in similar roles to the Project and the board and senior management welcome Sven to the E25 team.

Expansion Studies

As advised in the Stage 1 Pre-Feasibility Study (PFS) published in May 2020, the current development plans have a 42-year mine life whilst only exploiting 20% of the global resource base². The Company has always planned for this Stage 1 development to be a start-up operation, with plans to expand the operation into firstly larger volumes of manganese concentrate and then to develop infrastructure to further process the concentrate into both **battery grade manganese sulphate** and **Electrolytic Manganese Metal (EMM)**.

In line with this strategy, the Company is currently finalising an updated PFS to detail the feasibility and commercial impacts of an expansion of the concentrate operation. This report will be release as soon as it is finalised.

About the Butcherbird Manganese Project

The Butcherbird Manganese Project is a world class manganese resource with current JORC resources in excess of 263 Mt of manganese ore¹. The Company has recently completed a Pre-Feasibility Study with respect to developing the deposit to produce manganese concentrate for export to generate early cashflow with a modest capital requirement². The outstanding economics and low capital hurdle of less than A\$15 million will allow the Company to develop the project in a relatively short timeframe.

This is envisaged as the first stage of a staged ramp up for the project and has the advantage of potentially providing early cashflow to strengthen the Company's balance sheet and assist in funding of the larger high purity manganese production hub which is the subject of a parallel, complimentary work stream.

The Project straddles the Great Northern Highway and the Goldfields Gas Pipeline providing turnkey logistics and energy solutions. The Company is also intending to integrate renewable energy into the power solution to minimise the carbon intensity of the Project as well as reducing energy costs. A cleaner,

¹ Reference: Company ASX release dated 17 April 2019.

² Reference: Company ASX release dated 19 May 2020

lower carbon flowsheet and high penetration renewable energy will place Butcherbird at the forefront of sustainable metal production.

Mineral Resources

Category	Tonnes (Mt)	Mn (%)	Si (%)	Fe (%)	Al (%)
Measured	16	11.6	20.6	11.7	5.7
Indicated	41	10.0	20.9	11.0	5.8
Inferred	206	9.8	20.8	11.4	5.9
Total	263	10.0	20.8	11.4	5.9

Notes:

- Reported at a 7% Mn cut-off for the Measured and Indicated categories and an 8% Mn cut-off for the Inferred categories.
- All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

Mining Reserve

Based on the results of the Pre-Feasibility Study completed in May 2020, E25 has published a Maiden Ore Reserve for the Project of 50.55Mt in the Proved and Probable categories³.

Classification	Tonnes (Mt)	Grade (Mn%)	Contained Mn (Mt)	Recovered Mn (Mt)
Proved	14.4	11.5	1.65	1.35
Probable	36.2	9.8	3.56	2.92
Total	50.6	10.3	5.21	4.27

Justin Brown

Managing Director

Company information, ASX announcements, investor presentations, corporate videos and other investor material in the Company's projects can be viewed at: <http://www.element25.com.au>.

Competent Persons Statement

The company confirms that in the case of estimates of Mineral Resource or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the market announcements dated 17 April 2019 and 19 May 2020 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 has not been materially modified from the original market announcements.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Justin Brown who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results and Exploration Targets were compiled, Mr Brown was an employee of Element 25 Limited. Mr Brown is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'. Mr Brown consents to the inclusion of this information in the form and context in which it appears in this report.

This announcement is authorised for market release by Element 25 Limited's Board of Director.

³ Reference: Element 25 Limited Reserve Statement lodged with ASX 19 May 2020.