

Butcherbird Closing in on Stage 1 Commissioning

- Project on schedule for substantial mechanical completion by month end.
- Dry commissioning scheduled for first half of March 2021.
- First ore processing scheduled for the second half of March 2021.

Element 25 Limited (**E25** or **Company**) (**ASX:E25**) is pleased to confirm that the delivery of the first stage of a planned multi-stage development at the Company's 100% owned world class Butcherbird Project (**Project**) continues with completion scheduled for March 2021, in line with the original target of Quarter 1, 2021.

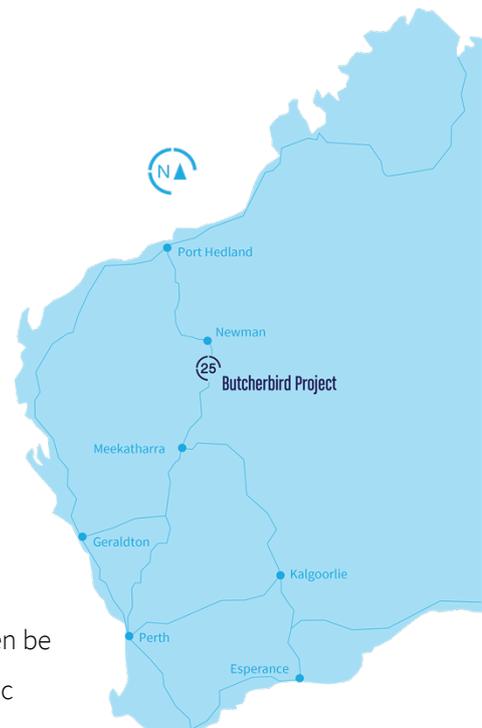
The current work plan has dry commissioning scheduled for the first half of March 2021 followed by wet commissioning and first ore processing in the second half of the month.

This is the first stage of a multi-stage development strategy for the Project, which will then be expanded to produce high purity manganese sulphate monohydrate (**HPMSM**) for electric vehicle (**EV**) batteries to power the global transition away from fossil fuel powered mobility.

Manganese is looming as an increasingly important ingredient for EV batteries, with potential supply constraints looming for nickel and cobalt forcing battery manufacturers to look at high manganese cathodes to produce the vast amount of cathode material needed by the EV industry in coming years.¹

The Project is ideally placed to feed this demand, with **advanced flowsheet development** work in 2019 and 2020 confirming a simple, unique, ambient temperature and atmospheric pressure leach process for the E25 ores which, when combined with offsets, will target the world's first **Zero Carbon Manganese™** for EV cathode manufacture².

E25 Managing Director Mr Justin Brown commented, "To deliver a mining project in such a short timeframe whilst maintaining a high level of safety and cost control is a fantastic achievement by the team. This is an important first step in the development of the Project which can then be expanded into the battery metals markets".



¹ <https://thenextavenue.com/2021/01/22/svolt-opens-orders-for-its-nmx-nickel-manganese-batteries/>

² Reference: Company ASX release dated 12 February 2019.

COMPANY SNAPSHOT

Market Summary

ASX code: E25
 Shares on issue: 133M
 Shares price: \$1.60

Board of Directors:

Seamus Cornelius Chairman
 Justin Brown MD
 John Ribbons NED

Element 25 Limited is developing the world class Butcherbird Manganese Project in Western Australia to produce high quality manganese concentrate and high purity manganese products for traditional and new energy markets.



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 ore³. The Company completed a Pre-Feasibility Study (PFS) with respect to developing the deposit to produce manganese concentrate for export to generate early cashflow with a modest capital requirement⁴. The outstanding economics and low capital hurdle of less than A\$17 million for the first stage of development will allow the Company to develop the project in a relatively short timeframe. The delivery of this first stage of production is fully funded and already underway.

The PFS also highlighted the Project has the potential for significant growth beyond the initial Stage 1 production volumes (the studies examined the potential for a 2X and 3X expansion to Stage 1 within 12 months of initial commissioning) and the Company expects to expedite the expansion of the Project once Stage 1 is fully operational. In addition to the concentrate export business, the Company has completed extensive research & development and laboratory test work into the production of high purity manganese products including battery grade manganese sulphate (**HPMSM**) and High Purity Electrolytic Manganese Metal (**HPEMM**). The work has highlighted that the Butcherbird ores are highly amenable to an ambient temperature, atmospheric pressure leach process, resulting in a very efficient extraction of the manganese into solution, the key requirement for the cost effective and sustainable production of HPMSM and HPEMM.

The Project straddles the Great Northern Highway and the Goldfields Gas Pipeline, providing turnkey logistics and energy solutions. The Company plans to integrate renewable energy into the power solution over time to target a zero-carbon

³ Reference: Company ASX release dated 17 April 2019.

⁴ Reference: Company ASX release dated 3 December 2020

footprint for the Project, which is expected to also reduce energy costs. A cleaner, lower carbon flowsheet and high penetration renewable energy will place Butcherbird at the forefront of sustainable high purity manganese 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 categories⁵.

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 Directors.

⁵ Reference: Element 25 Limited Reserve Statement lodged with ASX 19 May 2020.