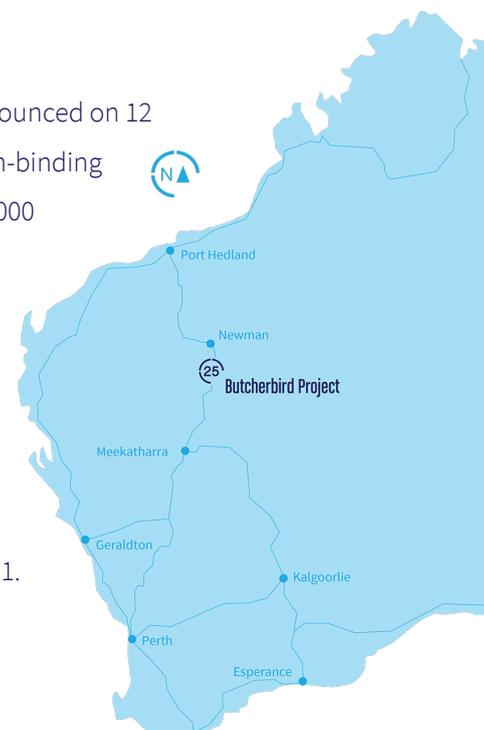


Element 25 and OM Holdings Agree to Extend the Offtake Exclusivity Period

Element 25 Limited (E25 or Company) (ASX:E25) is pleased to confirm that as announced on 12 October 2020, key commercial terms have and continue to be agreed under a non-binding term sheet (**Term Sheet**) to sell 100% of the manganese ore produced (up to 365,000 tonnes per annum) from the first stage of the Butcherbird Project development (**Project**) to OM Materials (S) Pte Ltd (**OMS**), a wholly owned subsidiary of ASX listed company OM Holdings Limited (**ASX:OMH**) (**OMH**) under a take-or-pay offtake arrangement.

In order to allow sufficient time for the definitive documents to be finalised, the parties have agreed to an extension of the original exclusivity period (**Exclusivity**). The Exclusivity will be extended by 30 days and will now expire on 10 January 2021.



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\$17 million will allow the Company to develop the project in a relatively short timeframe.

¹ Reference: Company ASX release dated 17 April 2019.

² Reference: Company ASX release dated 3 December 2020

Company Snapshot

| | | | | |
|------------------------|--------|---------------------|----------|---|
| ASX Code: | E25 | Board of Directors: | | Element 25 Limited is developing the world class |
| Shares on Issue: | 132M | Seamus Cornelius | Chairman | Butcherbird Manganese Project in Western Australia to |
| Share Price: | \$1.41 | Justin Brown | MD | produce high quality manganese concentrate and high |
| Market Capitalisation: | \$186M | John Ribbons | NED | purity manganese products for traditional and new |
| | | | | energy markets. |

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 Australia

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, 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>.

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

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.