

Share Purchase Plan

Dear Shareholder,

On 6 July 2020 Element 25 Limited (**E25** or **Company**) announced it had received firm commitments from sophisticated, professional and institutional investors to raise up to a total of \$3,500,000 (before costs) through a placement of up to 8,750,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.40 per Share (**Placement**) and that it would also be undertaking a Share Purchase Plan (**SPP**) offer.

Under the SPP, E25 is giving each Eligible Shareholder the opportunity to purchase up to \$30,000 worth of fully paid ordinary shares, irrespective of the size of their shareholding, without incurring brokerage or transaction costs.

The offer under the SPP is intended to raise up to \$1.5M (before expenses) on the terms and conditions (**Terms and Conditions**) enclosed with this letter.

The issue price for the Placement and the SPP represents a 11.10% discount to the volume weighted average price of the Shares traded on the ASX during the 5 trading days on which sales in the Shares were recorded immediately prior to the date of the announcement. On the last date the Shares were traded immediately prior to the date of this SPP, the closing price of Shares on ASX was 48.5 cents.

Shareholders Eligible to Participate in the SPP

The right to participate under the SPP is optional and is available exclusively to shareholders who are registered as holders of Shares at 5.00pm WST on 3 July 2020 and whose registered address is in Australia, Hong Kong, China, Germany and New Zealand (**Eligible Shareholders**).



Company Snapshot

ASX Code:	E25	Board of Directors:		Element 25 Limited is developing the world class
Shares on Issue:	98M	Seamus Cornelius	Chairman	Butcherbird Manganese Project in Western Australia to
Share Price:	\$0.485	Justin Brown	MD	produce high quality manganese concentrate and high
Market Capitalisation:	\$47.5M	John Ribbons	NED	purity manganese products for traditional and new
				energy markets.

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 Australia

Use of Funds

The funds raised under the SPP will allow the Company to accelerate the development of the Company's 100% owned Butcherbird Manganese Project by allowing deposits for long lead time items to be made, engaging detailed engineering design and other activities associates with the development of the project.

IMPORTANT INFORMATION

Participation in this offer is optional.

Participation in the SPP is entirely optional and is subject to the terms and conditions specified in this letter.

The SPP intends to raise a maximum of \$1.5m.

In the event the SPP is not fully subscribed the Company will seek to place any short fall shares at its discretion.

Where a member is expressly noted on the register as a trustee or nominee on account of another person (**Beneficiary**) the Beneficiary will be deemed to be the eligible shareholder and any relevant acceptance of the offer and issue of the Shares will be taken to be made by or to the Beneficiary.

The Offer of Shares under the SPP is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act.

Scale-back

The Company reserves absolute discretion regarding the final amount raised under the SPP (subject to the maximum permitted under the ASX Listing Rules) and if necessary, the Directors may, in their absolute discretion, scale-back applications.

If there is a scale-back, your application monies may be greater than the value of Shares issued to you under the SPP, in which case the excess application monies will be refunded to you, without interest.

Non-Renounceable

The offer to participate under the SPP is non-renounceable meaning that you cannot on-sell your rights to participate.

Offer Price

The offer price of the Shares under the SPP is 40 cents.

No brokerage, commission or other participation costs are payable by you in respect of the acquisition of Shares under the SPP.

Total Number of Shares under the SPP

In accordance with the ASX Listing Rules the total number of Shares that can be issued under the SPP is 29,508,682.

How much can be invested?

Eligible Shareholders may subscribe for a maximum of up to \$30,000 worth of Shares under the SPP in the increments outlined in the following table.

How to Apply

Offer A	Total subscription amount of \$1,000 (minimum amount)
Offer B	Total subscription amount of \$2,000
Offer C	Total subscription amount of \$5,000
Offer D	Total subscription amount of \$10,000
Offer E	Total subscription amount of \$15,000
Offer F	Total subscription amount of \$20,000
Offer G	Total subscription amount of \$30,000 (maximum amount)

Valuation of Shares

On the last date the Shares were traded immediately prior to the date of this SPP, the closing price of Shares on ASX was 48.5 cents. You should note that the Share price may rise or fall between the date of this offer and the date when Shares are allotted and issued to you under the SPP.

The Board recommends that you obtain your own financial advice in relation to the offer of Shares in the Company prior to accepting this SPP offer.

Issue of Shares

Shares issued under the SPP will rank equally in all respects with other fully paid ordinary shares in E25 on the date of issue. E25 will, at the appropriate time, make application for the Shares issued under the SPP to be admitted to official quotation on ASX.

The issue and allotment of Shares will occur as soon as practicable following the closing date and not later than 10 business days following the closing date.

How to Participate

For the purposes of public health and safety, Element 25 Limited will not be accepting cheque or money order payments.

If you would like to participate in the SPP, the following application and payment options are available:

(a) Payment by BPAY®

Please refer to the attached Terms and Conditions for further details regarding payment options.

(b) Payment by Electronic Funds Transfer (EFT)

Please refer to the attached Terms and Conditions for further details regarding payment options.

Cleared funds are to be received by the share registry no later than 5:00 pm (WST) on the Closing Date under the SPP.

Important Information

Details of the SPP are set out in the enclosed SPP Terms and Conditions. The Board urges you to read these Terms and Conditions carefully and in their entirety before deciding whether to participate in the SPP. If you are uncertain whether Shares are a suitable investment for you, you should consult your financial or other professional adviser.

Completed application forms and full payment must be received by Automic Group no later than 5:00 pm Western Standard Time on the Closing Date.

KEY DATES*

3 July 2020	Record Date 5:00 pm (WST) The date on which E25 determined eligible shareholders
6 July 2020	Announcement Date
8 July 2020	Opening Date The date on which the SPP opens
21 July 2020	Closing Date The date on which the SPP closes Applications must be received by 5:00 pm (WST)
23 July 2020 (on or around)	Despatch Date The date on which holding statements are sent to participating shareholders of Allotment and lodgement of Appendix 2A
24 July 2020 (on or around)	Share Trading Date The date on which Shares allotted under the SPP commence trading on the ASX

*E25 has discretion to alter these Key Dates.

Should you have any questions or require further information regarding the SPP please contact John Ribbons, Company Secretary, on 08 9389 2111.

Terms and conditions of the Share Purchase Plan of Element 25 Limited

Purpose

The purpose of the Element 25 Limited Share Purchase Plan (SPP) is to offer shareholders of Element 25 Limited (E25) the opportunity to acquire additional fully paid ordinary shares (Shares) in E25 up to a maximum of \$30,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the SPP), at an issue price of 40 cents (Issue Price). The SPP seeks to provide the Company with additional funds to accelerate the development of the Company's 100% owned Butcherbird Manganese Project by allowing deposits for long lead time items to be made, engaging detailed engineering design and other activities associates with the development of the project..

Offer

An offer may, at the discretion of the Directors, be made under the SPP once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12-month period is \$30,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the SPP and the period the offer is available to Eligible Shareholders.

Shareholders who are eligible to participate

Holders of Shares that are registered with an address in Australia, Hong Kong, China, Germany and New Zealand at the relevant Record Date are eligible shareholders (Eligible Shareholders) and may participate in the SPP. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the SPP.

If you hold Shares on behalf of persons who reside outside Australia, Hong Kong, China, Germany and New Zealand or are in the United States, you are not an Eligible Shareholder and are not entitled to participate in the SPP. Details of how custodians, trustees and beneficiaries are treated under the SPP are provided

Participation in the SPP is optional and is subject to these terms and conditions (Terms and Conditions). Offers made under the SPP are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the SPP).

Foreign offer restrictions

This document does not constitute an offer of new ordinary shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

The SPP does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Shares offered under the SPP. If you are in doubt about any contents of this document, you should obtain independent professional advice.

China

The information in this document does not constitute a public offer of shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

European Economic Area - Germany

The information in this document has been prepared on the basis that all offers of Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area, from the requirement to produce a prospectus for offers of securities.

An offer to the public of Shares has not been made, and may not be made, in Germany except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Germany:

- (a) to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- (b) to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- (c) to any person or entity who has requested to be treated as a professional client in accordance with MiFID II;

- (d) to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non- professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565;
- (e) to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company; or
- (f) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of entitlements or Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

New Zealand

The Shares offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the SPP is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

How much can you invest?

Under ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, Eligible Shareholders may only acquire a maximum of \$30,000 worth of Shares under a share purchase plan in any 12-month period. This limitation applies even if you receive more than one Application Form, or if you hold Shares in more than one capacity.

Eligible Shareholders may only participate by applying for Shares for one of the following amounts:

Offer A	Total subscription amount of \$1,000 (minimum amount)
Offer B	Total subscription amount of \$2,000
Offer C	Total subscription amount of \$5,000
Offer D	Total subscription amount of \$10,000
Offer E	Total subscription amount of \$15,000
Offer F	Total subscription amount of \$20,000
Offer G	Total subscription amount of \$30,000 (maximum amount)

Note: The Directors reserve the right to scale back the amount of Shares to be allotted. Accordingly, the actual amount of Shares you receive under the Offer may vary in the event of oversubscription (excess money will be returned without interest).

The maximum investment any Eligible Shareholder may apply for will remain \$30,000 even if a Shareholder receives more than one SPP (whether in respect of a joint holding or because the Shareholder has more than one holding under a separate account).

How do you apply?

Payment by cheque/bank draft

For the purposes of public health and safety, Element 25 Limited will not be accepting cheque or money order payments.

If you would like to participate in the SPP, the following application and payment options are available:

(a) Payment by BPAY®

Eligible Shareholders wishing to pay by BPAY® must use the specific biller code and customer reference numbers detailed on their personalised Application Form. Any Eligible Shareholder that chooses to pay by BPAY® is deemed to represent to the Company that the amount of Shares subscribed for pursuant to the SPP, or any other arrangement similar to the SPP in the prior 12 months, does not exceed \$30,000 (including joint or any other beneficial interests).

If you choose to pay via BPAY® you are not required to submit your Application Form. Your payment will not be accepted after 5:00pm (WST) on the Closing Date and no Shares will be issued to you in respect of that application. If you have multiple holdings you will have multiple BPAY® customer reference numbers. To ensure you receive your Shares under the Offer in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any Shares that you wish to apply for in respect of that holding. If you inadvertently use the same Customer Reference Number for more than one of your applications, you will be deemed to have applied only for the application to which that Customer Reference Number applies, and any excess amount will be refunded.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

Once an application under the SPP has been made or your BPAY® payment made, it cannot be revoked.

(b) Payment by electronic funds transfer (EFT)

If payment is made by EFT, please follow the instructions on the Application Form. Please note that should you choose to pay by EFT:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) If you have multiple holdings you will have multiple EFT unique reference numbers. To ensure that you receive your Share Application in respect of each holding, you must use the unique reference number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the Applicant without interest.

Whether you are paying via BPAY® or EFT, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are received no later than 5:00pm (WST) on the Closing Date.

Raising Amount and Scale-back

The Company reserves absolute discretion regarding the final amount raised under the SPP (subject to the maximum permitted under the ASX Listing Rules) and if necessary, the Directors may, in their absolute discretion, scale-back applications. Scale-back for Shares held by a Custodian will be applied at the level of the underlying Beneficiaries.

If the Company rejects or scales-back an application or purported application, the Company will return as soon as reasonably practical to the shareholder the relevant application monies, without interest.

Issue and Quotation of Shares

Shares to be issued under the SPP will be issued as soon as reasonably practicable after the Closing Date specified by the Directors in the SPP.

Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the SPP.

The Company will, as soon as reasonably practical after the issue of Shares under the SPP, make application for those Shares to be listed for quotation on the official list of ASX.

Maximum number of Shares able to be issued

The maximum number of Shares that can be issued under the SPP in order to comply with the ASX Listing Rules requirements is 30% of the number of fully paid ordinary Shares in the Company currently on issue. As at the date of these Terms and Conditions, a maximum of 29,508,682 Shares is available to be issued under the SPP. The actual number of Shares to be issued pursuant to the SPP will depend on participation.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (refer below) (Custodian) or in any more specific ASIC relief granted to the Company in relation to the SPP), you may apply for up to the maximum of Shares for each beneficiary for whom you act as custodian provided you annexe to your SPP application form (Application Form) a certificate to the Company (Custodian Certificate) with the following information:

- that you held Shares in the Company on behalf of one or more other persons who are resident in Australia, Hong Kong, China, Germany and New Zealand (each a Participating Beneficiary) at 5:00 pm (WST) on the Record Date who have subsequently instructed you to apply for Shares under the SPP on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the SPP for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$30,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold Shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence covering the provision of a custodial or depository service;
- is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- holds an Australian financial services licence covering the operation an IDPS or is a responsible entity of an IDPS-like scheme;
- is a trustee of a self-managed superannuation fund; and
- is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply you should contact Automic Pty Ltd on 1300 288 664.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Issue of E25 Shares

The Shares to be issued under the SPP will be issued as soon as reasonably practical after the closing date specified by E25.

The Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in E25 from the date of issue. The number of Shares issued to you will be rounded up to the nearest whole number.

Shareholding statements will be issued in respect of all Shares under the SPP. E25 will as soon as reasonably practical after the issue of Shares under the SPP make application for those Shares to be admitted to quotation on ASX.

Cost of Participation

No brokerage, commission or other transaction costs will be payable by participants in respect of the application for, and issue of, Shares under the SPP. E25 may, at its cost, hire consultants to help facilitate and explain the offer to Eligible Shareholders.

Application and Notices

At the discretion of the Directors, E25 will send Eligible Shareholders an offer, accompanied by an acceptance form, inviting them to subscribe for Shares under the SPP.

Notices and statements to participants may be given by E25 in any manner prescribed by its Constitution.

Refund of Application Funds

In the event that your application amount is greater than the value of the Shares issued to you under the SPP (being the number of Shares actually issued multiplied by the Issue Price) then the difference will be refunded to you. No interest will be paid on any application money returned to you.

Modification and termination of the SPP

E25 may modify or terminate the SPP at any time.

E25 will notify the ASX of any modification to, or termination of the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of the ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, E25 may issue to any person fewer Shares than the person applied for under the SPP if the Issue of the Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

E25 may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally in relation to any participant or application of Shares and the decision of E25 will be conclusive and binding on all shareholders and other persons to whom that determination relates.

E25 reserves the right to waive strict compliances with any provision of these terms and conditions. The powers of E25 under these conditions may be exercised by the Directors of E25 or any delegate of E25.

Governing Law

The Terms and Conditions and the offer under the SPP are governed by the laws of Western Australia.

Disclaimer

Before you apply for Shares under the SPP, you should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the SPP (taking into account your own financial situation, needs and objectives). The Company and its officers make no recommendation about whether or not you should apply for Shares under the SPP and nothing in these Terms and Conditions (including the Application Form) or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP.

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>.

This announcement is authorised by the Element 25 Limited Board of Directors.