

## Highlights

All key work streams for the Butcherbird Pre-Feasibility Study active and progressing:

- **Metallurgy:** bulk (500kg) leach tests nearing completion. Expected to produce sample material for offtake negotiations.
- **Energy:** modelling indicates a wind:solar:gas hybrid solution as being optimal.
- **Environmental:** various programmes planned and ready for execution in 2019.
- **Geotechnical:** diggability test work indicated no drill and blast required. Pit stability programme planned for 2019.
- **Heritage:** Site Avoidance Survey completed, no significant sites identified.
- **Resource development:** infill drilling to allow resource upgrade in preparation for Pre-Feasibility Study commenced.
- Sale of the Holleton Project generates \$1M in cash in addition to a 1% NSR on future production.

The Quarter ending 30 September 2018 has seen significant progress for Element 25 Limited (“Company” or “E25”) across multiple work streams. The work continues to progress the Pre-Feasibility Study in relation to the Butcherbird High Purity Manganese Project where E25 intends to produce high purity manganese including manganese sulphate for lithium ion batteries and Electrolytic Manganese Metal (“EMM”)<sup>1</sup>.

<sup>1</sup> Company announcement dated 17 October 2017

## Company Snapshot

ASX Code:	E25	Board of Directors:		Element 25 Limited is developing the world class
Shares on Issue:	83.5M	Seamus Cornelius	Chairman	Butcherbird manganese project in Western Australia to
Share Price:	\$0.19	Justin Brown	ED	produce high purity manganese sulphate for lithium ion
Market Capitalisation:	\$15.9M	John Ribbons	NED	batteries and electrolytic manganese metal.

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## PRE-FEASIBILITY STUDY

Following the publication of the Scoping Study, and the positive demand forecast from Metal Bulletin for high purity manganese products, which indicated robust growth in demand and pricing over the forecast period, the Company initiated a Pre-Feasibility Study (“PFS”) to assess in more detail the pathway to commercialisation for this world class manganese resource.

A number of key consulting groups are engaged to undertake or manage the various elements of the study, and all key work streams are underway and progressing with the PFS on track to be completed within the forecast time frame of approximately 18 months from commencement in May 2018.

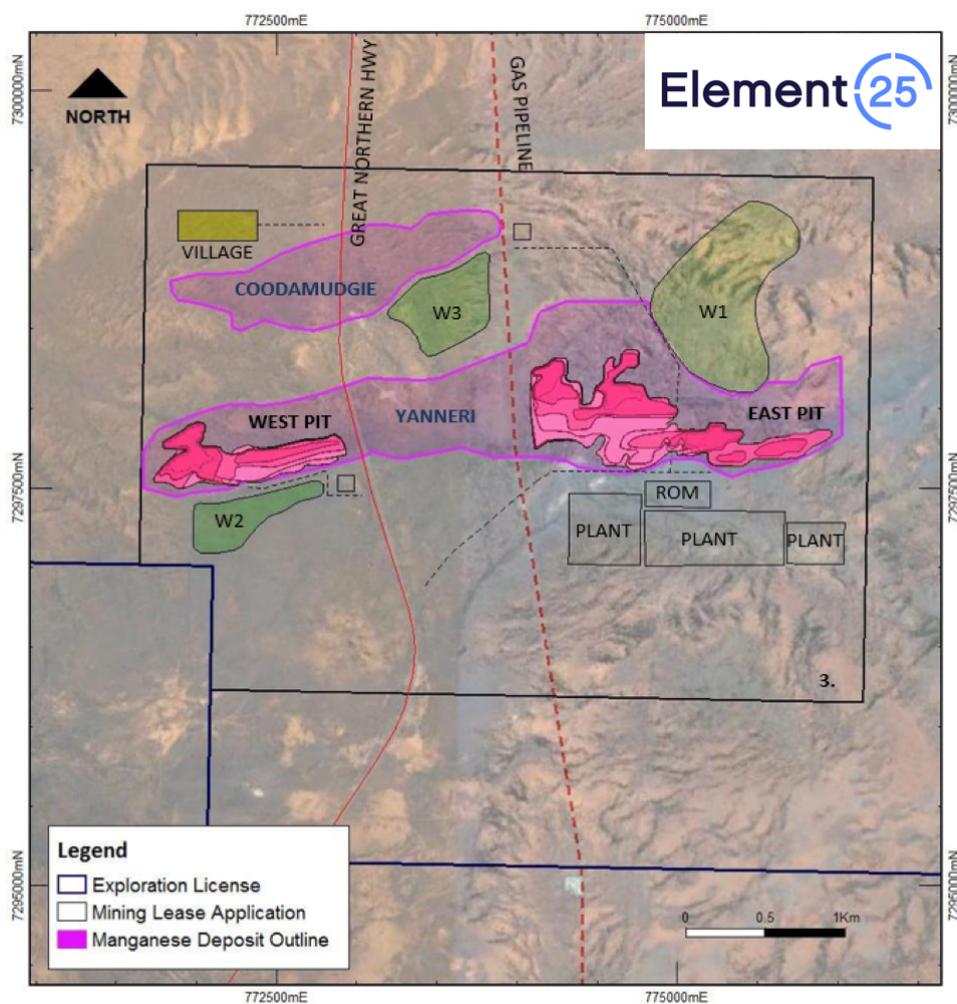


Figure 1: Infrastructure overview at the Butcherbird Project.

The following key work streams are under way:

### Metallurgy

Simulus is currently undertaking the first stage of the flowsheet upscaling test work, including a programme of small scale optimisation followed by a bulk leach of approximately 500Kg of sample from the Yanneri Ridge orebody. The work will provide detail on small scale variability within the deposit as well as taking the process through to the production of both manganese sulphate and EMM product samples. This program is well underway and the first stage of this will be completed in mid November 2018, with the bulk sample following shortly afterwards.

### Energy

E25 is aiming to implement a lower cost, low emissions solution as this will improve the project economics and potentially allow the Company to produce a product which has a lower carbon footprint than conventionally produced EMM. Producing battery grade high purity manganese sulphate using E25's process is exothermic and thereby energy neutral, however producing EMM requires large amounts of electrical energy and therefore the work on the power solution is important to that part of the project. The Company believes that being able to provide a low cost, low emission product may provide a marketing advantage in the future, as potential E25 customers (steel and battery manufacturers) seek to decarbonise their respective supply chains.

Specialist consultants were engaged early in the Scoping Study to develop a power implementation strategy. This has continued into the Pre-Feasibility Study and forms part of a three-stage process which, it is envisaged, will ultimately lead to the award of power contracts. The first stage which evaluated the site plant scale and power-plant scale and reviewed the options for power supply was completed during the quarter. The outcome of this study phase confirmed that the most economic energy mix for the Butcherbird High Purity Manganese Project is likely to include a combination of gas, wind and solar power to drive the electrowinning process. This work is ongoing.



## Environmental

MBS have been engaged to plan and manage the various tasks required to take the Butcherbird Project through the environmental permitting process.

A number of environmental programs have been designed and will be implemented at the appropriate times in 2019.

## Geotechnical

Two geotechnical programs are planned for the PFS, one of which has been completed. An open pit “diggability” assessment has been completed by independent specialist consultants 4DG. The assessment concluded that the majority of the Yanerri Ridge deposit will likely not require drill and blast. Localised ripping may be required in parts of the lateritic cap.

Peter O’Bryan and Associates have planned a geotechnical drill program to evaluate the open pit stability requirements. This will be conducted as part of a larger metallurgical diamond drill program scheduled for early 2019.

## Resource Development

Drilling programmes for infill drilling of the resource to indicated and measured status as well as groundwater exploration work were planned and POW’s were approved respectively during the quarter.

These programmes commenced in early October 2018 and will take approximately 4 weeks to complete.

Assays will be conducted as samples can be delivered to Perth. All assays are expected to be received during the December 2018 quarter. An updated resource model is expected to be released in the first quarter 2019.

The updated resource model is expected to form the basis of a Maiden Ore Reserve comprising Indicated and Measured resources, due to be reported with the PFS.

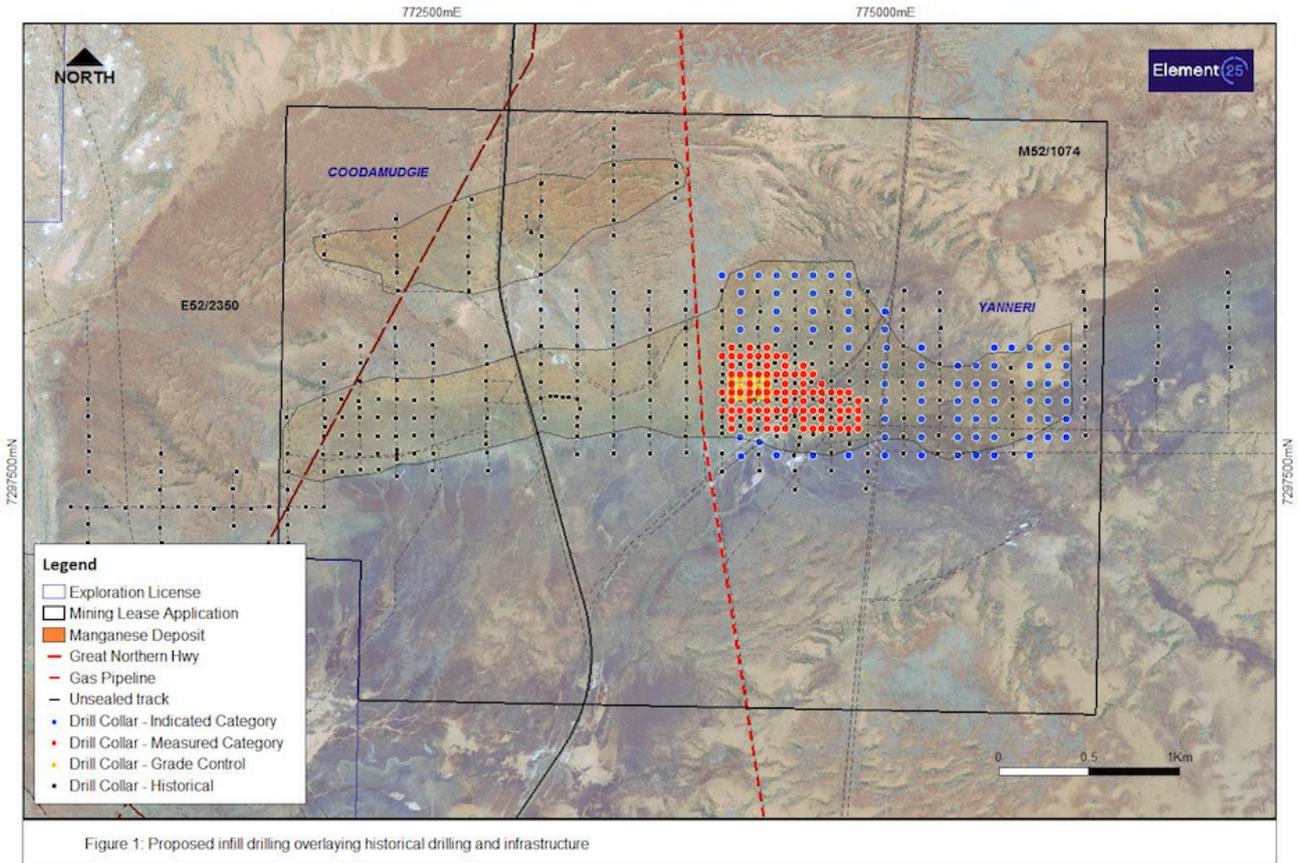


Figure 2: Proposed infill drilling collar locations in relation to the previous drilling, Yanneri Ridge and Coodamudgie resource outlines and infrastructure.

### Native Title and Heritage

Engagement has commenced with the representatives of the Traditional Owners of the Nyiaparli Native Title Claim area to negotiate a native title agreement to allow the granting of the mining lease application at Butcherbird to progress.

An archaeological and ethnographic site avoidance heritage survey of the Butcher Bird project area has been conducted by the Nyiaparli Traditional Owners and Wilypa Pty Ltd in September 2018. The heritage survey only identified one basal grindstone fragment, which is in an area not presently planned for disturbance.

The survey also cleared localised areas around planned geotechnical drilling locations which will provide baseline data for the design of wind turbine installations as part of the site power solution.

Key findings include:

- No DPLH registered Aboriginal sites were identified;
- No lodged DPLH OHPs were identified;
- No stored DPLH OHPs were identified; and
- No newly identified sites were recorded.
- Area is cleared for infill drilling and infrastructure development.

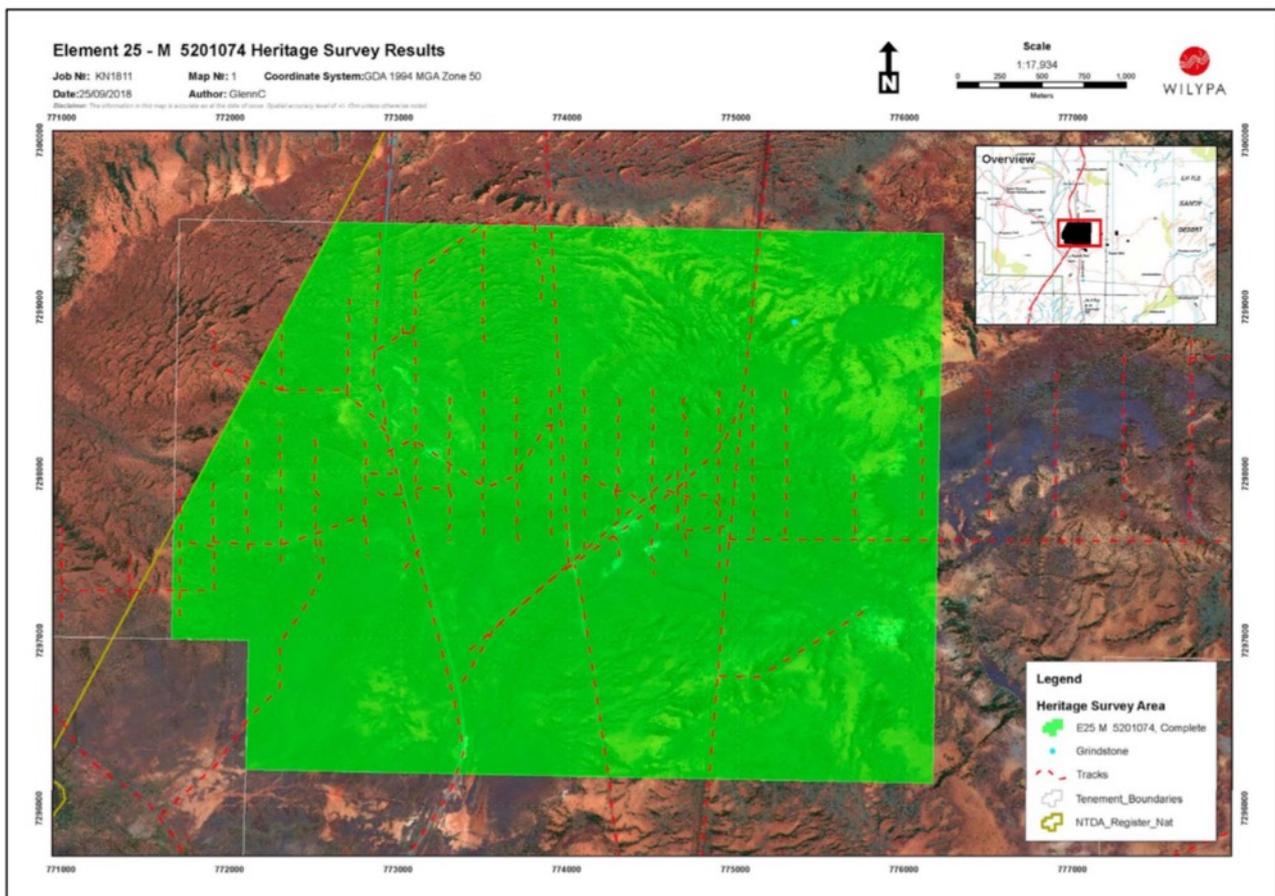


Figure 3: Heritage Clearance Plan - shaded area indicates the portion of MLA52/1074 which has been cleared for drilling and infrastructure development by the Nyiyaparli Native Title Claim Group.

## Project Finance

As part of the funding solution for the Butcherbird Project, the Company is in discussions with a number of independent advisory groups to provide early stage project financing services including initial engagement with potential funders, and advice on the available funding structures and strategies in relation to the project. Advice has been received that provided the PFS and DFS return results not materially different to the scoping study, that there is a pathway to project funding.

## Flowsheet Development

Discussions with CSIRO in relation to agreeing on a structure to collaboratively develop and commercialise the process technology that has been developed for the Butcherbird project are progressing and the Company looks forward to announcing details when available.

Full details in relation to the scoping study can be found on the Company's website:

<http://www.element25.com.au/site/the-manganese-project/scoping-study>

*The Company is not aware of any new information or data that materially affects the information included in the announcement and in the case of estimates of mineral resources and ore reserves, all material assumptions underpinning the estimates continue to apply and have not materially changed.*

## About the Butcherbird High Purity Manganese Project

The Butcherbird High Purity Manganese Deposit is a world class manganese resource with current JORC resources in excess of 180Mt of manganese ore<sup>2, #</sup>. The Company has completed a positive scoping study with respect to developing the deposit to produce high purity manganese sulphate for lithium ion battery cathodes as well as Electrolytic Manganese Metal for use in certain specialty steels. A PFS is currently being completed and is expected to further confirm the commercial potential of the project.

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

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<sup>2</sup> Reference: Company ASX release dated 12 October 2017 (released under the Company's previous ticker MZM)

## Sale of the Holleton Project

During the quarter, the Company sold the Holleton Project to Ramelius Resources Ltd (RMS) wholly owned RMS subsidiary Edna May Operations Pty Ltd (EMO). Pursuant to the sale agreement, EMO has acquired 100% of the Holleton Project. E25 received \$1M in cash and a 1% NSR on all future production from the Holleton Project.

## Corporate

### Investment Portfolio (as at 30 September 2018)

In addition to cash reserves, the Company also currently holds securities in the following listed entities:

Listed securities at market value:	No. Held	Closing Price	Market Value
Alt Resources Ltd (ARS)	1,250,000	\$0.034	\$42,500
Magmatic Resources Ltd (MAG)	3,770,485	\$0.03	\$113,115
Buxton Resources Ltd (BUX)	500,000	\$0.16	\$80,000
Buxton Resources Ltd (BUX) 12.5c Options	1,500,000	N/A	
Duketon Mining (DKM)	1,450,000	\$0.195	\$282,750
Anova Metals Ltd (AWV)	7,000,000	\$0.017	\$119,000
Danakali Limited (DNK)	8,846,597	\$0.86	\$7,608,073
<b>Total Market Value as at 30 September 2018</b>			<b>\$8,245,438</b>

Justin Brown

### Executive Director

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

## Competent Persons Statement

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources and Mineral Reserves is based on information compiled by Mr David O'Neill who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results, Exploration Targets, Mineral Resources and Mineral Reserves were compiled, Mr O'Neill was an employee of Element 25 Limited. Mr O'Neill 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 O'Neill consents to the inclusion of this information in the form and context in which it appears in this report

Please note with regard to exploration targets, the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

#The information in this report that relates to Mineral Resources is based on information announced to the ASX on 12 October 2017. Element 25 confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Classification	Tonnes (t)	Grade Mn (%)
Indicated	22.5	12.0
Inferred	158.3	10.6
<b>TOTAL</b>	<b>180.8</b>	<b>10.8</b>

Notes:

- Reported at 8% Mn cut-off
- All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

Element 25 Limited

ASX Additional Information for Quarterly Report to 30 September 2018

	Tenement reference	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
<b>The mining tenements held at the end of the quarter and their location</b>	E20/659	Eelya Hill WA	10%	N/A	10%
	E20/927	Yallon Well WA	100%	N/A	100%
	E20/941	Sunday Well WA	1000%	N/A	100%
	E20/948	Yallon Well WA	0%	Acquired	100%
	E28/2313	Green Dam WA	100%	N/A	100%
	E28/2327	Green Dam WA	100%	N/A	100%
	E28/2577	Pinnacles WA	100%	N/A	100%
	E28/2701	Pinnacles East WA	100%	N/A	100%
	E28/2757	Pinnacles WA	100%	N/A	100%
	E28/2761	Flanker South WA	1000%	N/A	100%
	E37/1176	Leonora WA	100%	N/A	100%
	E37/1295	Leonora WA	100%	N/A	100%
	E46/1220	Black Hill WA	100%	N/A	100%
	E51/1781	Mt Maitland WA	100%	Disposed	0%
	E52/1529	Mt Padbury WA	100% (Note 1)	N/A	100% (Note 1)
	E52/2350	Butcher Bird WA	100%	N/A	100%
	E52/3082	Mt Padbury WA	100%	N/A	100%
	E52/3588	Dead Camel WA	100%	N/A	100%
	E52/3606	Yanneri Bore WA	1000%	N/A	100%
	E52/3607	Neds Gap WA	100%	N/A	100%
	E52/3613	Millidie Creek WA	100%	N/A	100%
	E52/3626	Corner Bore WA	1000%	N/A	100%
	E52/3627	Corner Bore WA	1000%	N/A	100%
	E52/3663	Dead Camel WA	0%	Acquired	100%
	M52/1074	Yaneri Ridge WA	100%	N/A	100%
	E57/1060	Victory Well WA	100%	N/A	100%
	E59/2246	Milgoo Peak WA	100%	N/A	100%
E59/2267	Twin Peaks WA	100%	N/A	100%	

	Tenement reference	Location	Interest at beginning of quarter	Acquired/ Disposed	Interest at end of quarter
	E63/1750	Lake Johnston WA	85%	N/A	85%
	E63/1789	Lake Johnston WA	85%	N/A	85%
	E63/1838	Lake Johnston WA	85%	N/A	85%
	E69/3523	Fraser Range WA	100%	Disposed	0%
	E69/3541	Cunyu Woolshed WA	100%	N/A	100%
	E70/5033	Holleton West WA	100%	N/A	100%
	E77/2334	Holleton WA	100%	N/A	100%
	E77/2458	Holleton WA	100%	N/A	100%
	E80/5056	Eileen Bore WA	100%	N/A	100%
	E80/5092	Cummins Range WA	100%	N/A	100%

## Notes:

- 1) 100% interest held in all minerals other than iron ore and manganese.