

Butcherbird Project Financing Update

Element 25 Limited (E25 or Company) advises it has received firm commitments from sophisticated, professional and institutional investors to raise up to a total of \$9,750,000 (before costs) through a placement of 12,500,000 fully paid ordinary shares (Shares) at an issue price of \$0.78 per Share (Placement).

The placement includes subscriptions from potential off take partners and additionally, E25 is pleased that it has approved subscriptions for a total of \$309,000 from senior executives of the Company.

In addition to the placement funds, OM Materials (S) Pte Ltd (OMS), a wholly owned subsidiary of ASX Listed company OM Holdings Ltd (ASX: OMH) (OMH) will advance a further \$2,000,000 under a convertible note which is currently being drafted and is expected to be finalised shortly.

The funds raised under the Placement will be used for the development of the Company's 100% owned Butcherbird Manganese Project by allowing for the finalisation of equipment purchase, mobilisation and construction to establish the first stage of ore production as detailed in the Pre-Feasibility Study published on 19 May 2020. On completion of this financing, and based on currently budgeted cashflows, the Company is now fully funded to first production.

OMS has been identified as the preferred offtake partner for the first stage of development of the Butcherbird Project (Project) and a non-binding term sheet has been finalised outlining take or pay offtake terms for an initial 5 year period for stage 1 volumes up to 365,000 tonnes per annum. Definitive documents are being drafted.

The Placement will be completed in two tranches. Tranche 1 is not subject to shareholder approval and will be completed pursuant to the Company's existing capacity under ASX Listing Rules 7.1 (7,750,000



Company Snapshot

ASX Code:	E25	Board of Directors:	Element 25 Limited is developing the world class
Shares on Issue:	118M	Seamus Cornelius	Butcherbird Manganese Project in Western Australia to
Share Price:	\$0.85	Justin Brown	produce high quality manganese concentrate and high
Market Capitalisation:	\$100.3M	John Ribbons	purity manganese products for traditional and new
			energy markets.

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shares) and LR7.1A (1,050,000 shares) for a total of 8,800,000 shares. Tranche 2, comprising 3,700,000 shares, is subject to available capacity at the conclusion of the Company's Annual General Meeting (AGM).

Completion of the OMH convertible note is also subject to available capacity at the conclusion of the AGM. The Company's AGM is currently scheduled for 4 November 2020.

Blackwood Capital was lead manager and book runner for the raising.

The issue price for the Placement represents a 9.55% 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 this announcement.

This announcement effectively lifts the trading halt requested on 7 October 2020. The Company is not aware of any reason why the ASX would not allow trading to commence immediately.

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

¹ Reference: Company ASX release dated 17 April 2019.

² Reference: Company ASX release dated 19 May 2020

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.

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

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