

Butcherbird Manganese Project in Due Diligence Phase with Northern Australia Infrastructure Facility (NAIF)

Highlights:

- The Northern Australia Infrastructure Facility (NAIF) has determined that it will further investigate the potential to provide debt financing for the Butcherbird Manganese Project
- E25 provided NAIF with strategic assessment information detailing the benefits that will flow from the Butcherbird Manganese Project and its associated infrastructure to the local communities in the Pilbara region
- NAIF has provided written confirmation that the Butcherbird Manganese Project has now completed the Strategic Assessment phase of the NAIF Application and Approval Process and will now proceed to the Due Diligence stage



Element 25 Limited (E25 or Company) is pleased to advise that, after several positive discussions, and providing NAIF with strategic assessment information detailing the Butcherbird Manganese Project (Project), its associated infrastructure requirements and benefits that will flow to local communities in the Pilbara region during and beyond the Project's current mine life, E25 has received written confirmation that the NAIF CEO has considered a Strategic Assessment Paper for the Project and has consented to the NAIF Executive to progress the Project to the Due Diligence stage of assessment. This Strategic Assessment Paper has been noted by the NAIF Board.

Company Snapshot

ASX Code:	E25	Board of Directors:	Element 25 Limited is developing the world class
Shares on Issue:	92M	Seamus Cornelius	Chairman
Share Price:	\$0.20	Justin Brown	MD
Market Capitalisation:	\$18.4M	John Ribbons	NED

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This represents the first milestone in E25's engagement with NAIF. The next step for the Company is to submit a formal Investment Proposal. NAIF has not made any decision to offer finance or made any commitment to provide any financial accommodation and there is no certainty that an agreement will be reached between the parties. E25 will continue to assist NAIF with its required due diligence investigations regarding participation in the debt facilities that will fund the project capital expenditure necessary to develop the Butcherbird Manganese Project.

E25 Managing Director Mr Justin Brown commented, *"E25 is enthusiastic about the progression of the Project to NAIF's Due Diligence stage, and looks forward to work with NAIF to achieve a successful funding outcome for the world class Butcherbird High Purity Manganese Project that has the potential to provide benefit to the local community for decades into the future."*

"In parallel with the Pre-Feasibility Study, E25 is also actively working on funding solutions for the Project. NAIF's decision to progress to Due Diligence stage is a positive result and an important consideration as E25 looks to complete its Pre-Feasibility Study and implement its funding solution."

"It is also worth noting that manganese was identified as a critical mineral in the Australian Government's recent Critical Minerals Strategy¹ which bodes well for long term demand for this important steel and battery raw material."

The Company's financial adviser in relation to the proposed NAIF funding is BurnVoir Corporate Finance.

About NAIF

NAIF was established on 1 July 2016 by the Northern Australia Infrastructure Facility Act 2016 (NAIF Act) and is a corporate Commonwealth entity. The objective of the NAIF Act is to provide financial assistance to the States of Queensland, Western Australia and the Northern Territory for the construction of infrastructure to benefit northern Australia.

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 263 Mt of manganese ore. The Company has completed a positive scoping study with respect to developing the deposit to produce high purity manganese sulphate for lithium ion battery

¹ Reference: <https://www.industry.gov.au/sites/default/files/2019-03/australias-critical-minerals-strategy-2019.pdf>

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 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 further reducing energy costs.

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)

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 information in this report that relates to Mineral Resources is based on information announced to the ASX on 17 April 2019. 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.